



VOTE
NO

GOVERNANCE ACTION REVIEW

CARDANO BLOCKCHAIN ECOSYSTEM BUDGET

275M ADA ADMINISTERED BY INTERSECT





GOVERNANCE ACTION TECHNICAL SUMMARY

Governance Action Title	Cardano Blockchain Ecosystem Budget- 275M ada Administered by Intersect
Governance Action Type	Info Action
Governance Action ID	gov_actionlu9x73kwufaxa70lfy59g4ynwy rcsaxdcd0gxzzmh67s9fxq4j8hqk2phgh
Legacy Governance Action ID (CIP-105)	e14de8d9dc4f4ddf3fe9250a8a926e20f10e 99b86bd0610b77d7a054981591ee#0
Autor	Not identified in metadata. Declared on behalf of Intersect and the Cardano Budget Committee in the body text
Governance Action Submission Date	12th May 2025
Governance Action Submission Epoch	557
Governance Action Expiration Date	13th Jun 2025
Governance Action Expiration Epoch	564
Proposal External Link	<u>Abstract on GovTool</u>
Governance Action Metada Link	ipfs://bafkreibeajhkes7bxjlkghkingcgltqcw azz2ya5oknveqwt5nont7tg6u
Anchor Hash	b95d8f8e324e9863905f16dbad94clf25b28 b933ae842e6f8ce9841c8da5b197
Requested Budget	275,269,340 ADA



TABLE OF CONTENTS

INTRODUCTION	1
GOVERNANCE ACTION REVIEW	2
VOTE RATIONALE	4
CONCLUSION	5
REFERENCES	6
SIGNATURE	7



INTRODUCTION

Governance Action Summary

This Governance Action proposes the formal recognition and approval of the Cardano Blockchain Ecosystem Budget for 2025, submitted by Intersect on behalf of the Cardano Budget Committee. Classified as an Info Action, it was submitted on May 12, 2025 (Epoch 557) and will expire on June 13, 2025 (Epoch 564).

The action requests approval for an aggregate budget of ₳275,269,340, to be allocated across 39 proposals supporting the maintenance, development, governance, and innovation of the Cardano ecosystem. The proposals were curated through a process facilitated by Intersect and validated via off-chain polling using the Ekklesia platform, with participation from DReps representing more than 70% of the actively delegated stake.

If ratified, the budget will remain in effect for 73 epochs (52 weeks) and each withdrawal of treasury funds will require a separate Treasury Withdrawal Governance Action, contingent on compliance with an active Net Change Limit (NCL). Intersect has been named as the Administrator for all included proposals and is expected to oversee disbursement and compliance using smart contracts, milestone verification, and audit controls.

The scale and structure of this proposal make it one of the most significant funding decisions in Cardano's governance history.

About Agora

Agora is an independent initiative dedicated to improving the quality and decentralization of decision-making in the Cardano ecosystem.

Through its research arm, Agora Research Bureau, it produces open-access reports that combine research, curation, analysis, transparent rationale, and public documentation to support on-chain governance.

This report was developed by Agora Research Voltaire, the branch focused specifically on reviewing governance actions and on-chain voting.

Agora publishes open-access reports with transparent rationale, critical assessments, and methodological clarity — aiming to empower meaningful community participation and uphold the long-term sustainability of Cardano governance.

As a registered Voltaire dRep, Agora aims to provide critical assessments that complement on-chain metadata, offering deeper context and enabling meaningful public scrutiny.



GOVERNANCE ACTION REVIEW

Positive Aspects

This Governance Action represents a major step in operationalizing the Cardano Vision and Roadmap for 2025, approved earlier by the community. The budget process, while condensed, achieved broad stakeholder participation, with more than 3.8 billion ada in live dRep stake used to signal support for proposals. The use of IPFS to timestamp and publish proposal content adds an important layer of immutability and transparency. Moreover, the commitment to multi-signature smart contract escrow, public dashboards, and pause-payment mechanisms introduces accountability and oversight infrastructure previously absent in Cardano funding processes.

Negative Aspects

The magnitude of this action — an aggregated budget of ₳275,269,340 distributed across 39 proposals — demands a high level of diligence. However, there is insufficient evidence that the nearly 200 originally submitted proposals underwent a robust process of technical and budgetary analysis. Proposals requesting millions in funding, with broad scopes and sensitive deliverables, appear to have been consolidated with minimal formal public scrutiny. Furthermore, some proposals seemed to be bundles within bundles, increasing analytical complexity and reinforcing the need for a more structured screening process. This undermines the legitimacy of the final result.

Most public discussion occurred in a fragmented way on social media platforms such as X (Twitter). While open debate is healthy — and I fully support using X as a public square for ecosystem discussion, idea brainstorming, and peer connection — this is a critical budgetary process. Discussions taking place exclusively on X are often disjointed, scattered, and hard to trace. There was no formal effort to consolidate the main points debated on that platform into institutional channels like GovTool or Ekklesia, where proposers could be directly notified. As a result, there is no guarantee that a satisfactory number of relevant critiques were seen, considered, or responded to by proposal authors. This lack of feedback verification compromises decision quality.

In addition, several dReps appear to have voted in bulk — without demonstrating individual proposal review — further distorting the selection process. I also note that the Net Change Limit (NCL) was not clearly established at the time of curation on Ekklesia, which introduced another layer of bias, as dReps may have voted with the intent to “fit” within an uncertain estimated budget ceiling.



GOVERNANCE ACTION REVIEW

Potential Impact

Even acknowledging the urgency of approving a budget for 2025 — especially since we are already halfway through the year — I cannot ignore that the method used in this Info Action compromised the minimum conditions for a rigorous selection process. The Ekklesia vote was off-chain and included no transparent mechanism to confirm that proposals were read or properly reviewed by dReps. The subsequent on-chain ratification attempt relies on a process that lacks reliable evidence of appropriate public or technical scrutiny.

The practical consequence of this lack of structure was likely information overload and voter burnout, which favored simplified, shallow, or affinity-based decisions. This dynamic may have long-term reputational effects if Cardano is perceived as endorsing large-scale treasury allocation without verifiable due diligence.

Comparisons with Project Catalyst methodology

The Project Catalyst model — despite its flaws — provides a useful comparison. In Catalyst, there are defined roles, iterative review stages, deadlines, and anonymous but mandatory rationales. In contrast, Cardano's governance process in this action is marked by undefined dRep/reviewer responsibilities, voluntary rationale sharing, and no clear record of how proposals were evaluated. Pick your poison. In Catalyst, structure compensates for anonymity. In Cardano governance, public profiles seem to compensate for the lack of structure — but in practice, this has not ensured better evaluation quality.



VOTE RATIONALE

VOTE
NO

I acknowledge that it will still be possible to evaluate each of the 39 proposals individually through future “Treasury Withdrawal” Governance Actions, allowing specific withdrawals to be rejected if issues arise.

However, I cannot endorse a bundle of this scale that does not appear to result from a coordinated, documented, and acceptable structured evaluation process.

Therefore, my decision is to vote NO on this Info Action, based on principles of consistency with the minimum standards of accountability, transparency, and budgetary diligence that I believe Cardano governance must uphold to be taken seriously as a decentralized model.



CONCLUSION

This Governance Action attempts to formalize an unprecedented funding allocation in Cardano's governance history.

However, the lack of structured, documented, and collaborative evaluation mechanisms — from proposal intake to dRep voting — compromises the process at its core.

Without adequate assurances that the 39 included proposals were meaningfully reviewed or discussed in institutional governance channels, I cannot support ratifying this action as-is.

If Cardano governance is to evolve into a credible, decentralized decision-making system, its foundational processes must meet basic standards of rigor — especially when allocating hundreds of millions in treasury funds.



REFERENCES

Details of all successful proposal on Ekklesia(CSV)

<ipfs://bafybeicwrop4q7xvnyjdd5drumbe56sqt51be2ul3c262zt4hgguzdycm>

Ekklesia poll all results (CSV)

<ipfs://bafkreib2iwxptcfnsseeu6nrkn5j6ttxl7ob5sls6ox4u5nqpd4pk3rs4>

Ekklesia temperature-check poll result on-chain proof (PDF)

<ipfs://bafkreihdqdedfjealb7rvfzsqub4w33lbrqvrx3hjt33yedeami4bjyqu>

Ratification Methodology

<ipfs://bafkreiagfwdg3iejt5wpks5cwm35kibpana7zdbupn2xij4jrc33ugf6gm>

Ekklesia Platform

<https://2025budget.intersectmbo.org>

Defining the Cardano Vision and Roadmap for 2025 and beyond (via GovTool)

https://gov.tools/outcomes/governance_actions/56f39054758fla3cedclde9225d66bf270b62dfdbfbc5399fld6d43aceffc636#0

Treasury Management Smart Contracts

<https://github.com/SundaeSwap-finance/treasury-contracts>



SIGNATURE

Disclosure Statement

The author declares no direct affiliations, partnerships, or financial incentives related to the Governance Action discussed in this report. While the author provided informal feedback to some proposers and was invited to collaborate on proposals during this cycle, none of those reached the 39 proposals bundle. The author holds no professional relationship with Intersect beyond being a paying member. Although future collaboration with approved projects is possible, this report was produced independently, without coordination with any funded teams.

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