ACT "Technical White Paper"

By Fraser Brown, 2nd December, 2017

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ACT

*A decentralized funding
platform for activism*

Introduction

ACT is a decentralised funding platform for activism and social good. It is a decentralized autonomous organisation (DAO) that addresses that aggregates micro payments from citizens to fund grass roots proposals that drive change.

It is comprised of two main parts:

1. The ACT platform, where citizens purchase ACT, and apply them as votes to proposals; and,
2. The ACT curation engine (ACE) where the CE7 token helps to govern a proposal curator rewards mechanism.

ACE is the main focus of this technical white paper, because it is home to the technical mechanics that rewards those that hold CE7 tokens with Ether.

Background

The original ACT Concept Note should be consulted for a more in-depth analysis about the ACT impact model, its main social principles, as well as the theory of change that underpins it.

How does ACT work?

To use ACT, citizens first download the mobile App to their mobile device where they can purchase ACT using the Ethereum cryptocurrency. The pooled funds raised in the ACT pool through ACT purchases are used to fund successful proposals. The functionality will also be available as a website / mobile website via a browser.

The vision for ACT is that ACT holders – citizens all over the world – receive notifications via the App alerting them about important proposals, and allowing them to vote "ACT", "Reject", or "Abstain". If a quorum is reached a smart contract is triggered and a funding smart contract is created and funded instantly. If there are insufficient funds in the ACT pool to fund the proposal the funding smart contract can be used by the proposal maker for further direct fundraising.

At this point, some readers might surmise; "Is this crowd funding?" But, please maintain an open mind in order to capture the new innovation that ACT aims to be. When citizens purchase ACT votes they or when they "vote" on a proposal they do not fund that proposal. When they purchase ACT votes they fund the ACT pool. This is critical because people are agreeing to aggregate their resources for activism and good, and agreeing that the platform's smart contracts will determine which proposals are funded according to the choices and voting activities of the platform users.

It can be helpful to consider this like mobile phone users with "top-up" or "pay as you go" accounts. They do not top-up each time that they wish to send an SMS. Rather, they keep

their accounts topped up so that they can send an SMS or respond to an SMS from a friend when they need to. So it is with the ACT platform – people will keep their ACT topped up so that they can react to proposals quickly and drive change.

ACT's design
Proposal quality and validity
How do we ensure that the ACT community only receive proposals that are high potential, valid, non-spam, legal and legitimate?

The ACT curation engine (ACE) is a decentralised platform for vetting proposals. It rewards its curators through an algorithm that scores curation effort that most community members will consider to be a fair assessment of the subjective value of each contribution.

15%† of all ETH received from ACT users who purchase votes is allocated to reward curators. ACT is hard wired to distributed this to the curation community†.

The platform is designed to distinguish between activism and non-activism proposals. Activist proposals have access to the ACT pool. Non-activism proposals generate a direct funding address so that the power of the platform can be harnessed for the broadest social good possible. But the aim of ACT is civic mobilization, and that is why users are only notified about activist proposals through the ACT app.

Security
ACT's Ether pool is stored in the ethereum blockchain, not a new blockchain built and maintained by its development team. In this way, the potentially millions of dollars donated by users globally to obtain votes will be stored with proven and tested security.

Smart contracts will trigger payments to curators and proposal makers in line with the ACT code, immutably.

In order to reduce the risk of funds flowing to fraudulent proposals, "First timer" proposal amounts will be capped†. To ensure that larger funding amounts are not won by the malintentioned, the smart contract generated will require a second signature that will ensure the bone fides of the proposal.

ICO Design
10 million CE7 will be minted and distributed after fundraising is concluded during the "ICO", and allocated as follows:

- ACT Donation Campaigns - 80% (including pre-ICO)
- ACT Contributors - 8.0%
- ACT Team - 5.0%
- Daoact Ltd - 3.0%
- ACT Bounties - 2% (may be distributed prior to ICO)

- WINGS – 2%

The ACT Curation Engine (ACE) process

The basic ACE process follows this path:

(1) Proposal submission > (2) Curation > (3) ACTIVATION > (4) Voting > (5) Direct Funding

1. Proposal submission

Proposal submission requires a payment of ETH. For proposals under $10,000 (ETH equivalent) the fee is $49 (ETH equivalent), and for those over $10,000 the fee is $199 (ETH equivalent). This will achieve two main things:

1. prevent spam;
2. ensure revenue for curators (CE7 holders);

Proposal value is limited to 5 ETH† for first time submitters. This is the main mechanism to ensure that ACT's culture develops as a vehicle to support the grass roots, disintermediate business-as-usual NGOs, and foster support for groups that have the capacity to grow from small impactful initiatives to game-changing local, national, or global movements.

2. Curation

Curators can do five things:

1. Flag proposals
2. Uptick or downtick proposal
3. Mark if the proposal is "activism" or not
4. Comment on the proposal
5. Uptick or downtick a comment on the proposal

Curators are rewarded for their effort. This effort is calculated based on their actions on the proposal. Clearly we cannot publish this algorithm because that would result in its gaming. Rewards are also apportioned according to CE7 ownership as follows:

CE7	Percentage of curation reward
5	10%
2000	30%
20,000	60%

The minimum CE7 required to curate is 5. Through airdrops and bounty programs prior to the ICO, and due to the distribution resulting from the ICO itself, tens of thousands of curators will exist. They are distributed globally. The above distribution of reward will drive CE7 demand as curators come to understand the earning potential of curation. The distribution of CE7 will ensure that curation cannot be captured by simply purchasing CE7. CE7 holdings affect curation reward much more than curator influence.

The number of curators that can curate a proposal is limited. Curators with higher reputation score, and in some instances CE7, have a greater allocation of actions on any given proposal. This incentivises quality while allowing newbies the opportunity to advance their reputation.

3. ACTIVATION

The ACTIVATION algorithm† will push activist proposals to the ACT app once the underlying conditions and criteria are satisfied. If the proposal is non-activism but still satisfies the conditions of the ACTIVATION algorithm, it will be pushed to open funding – a direct funding smart contract will be generated which the cause can use for Ether fundraising. The app actually has two tabs: "live" and "open". Live is where new activist proposals ready for voting will be located. Open is where any proposals (activist or not) still raising funds will be listed (see "5" below).

4. Votes

Once ACTIVATION occurs, ACT users are notified by the App on their mobile device. They can open the proposal read it together with the curator's comments and decide to ACT, Reject or Abstain. If a quorum of 60%† is reached then the proposal is funded.

5. Direct funding

In many cases the ACT pool will not fund the entire proposal amount. In the case of non-activism proposals it will not fund any of the amount sought. Following voting, proposals become "open" in the direct funding section of the app, and causes – both activism and non-activism – can conduct further "direct" fundraising amongst supporters both new and existing.

This allows supporters to benefit from the knowledge that the proposal has passed the rigorous evaluation of curators and/or ACT users, as well as being able to utilize the powerful mechanism of a secure funding smart contract on the Ethereum blockchain. 5% of funds raised are allocated to the Foundation, and proposal makers will be able to allocate additional fund to reward bounty style marketers of their campaigns who are active on the platform.

The marketing of individual proposals at this stage will bring new users of ACT and help to drive adoption. It will introduce many people to the opportunity to become curators also. This organic form of marketing will help ACT's global adoption as well as supporting further demand for the CE7 token.

ACT pool

The ACT pool is distributed 15% to curators, 80% to causes, and 5% split between the ACT Foundation, and DAOACT Limited. As a smart contract this pool is able to receive direct funding as well as funds from ACT vote purchases (25 cents each). 15% of any direct funding is also split between the ACT Foundation, and DAOACT Limited

Making changes to the smart contract and tunable values

The development roadmap includes prototype, Alpha and Beta stages. At Beta, ACT will be able to use its native voting system to vote on and automatically amend tunable values.

Thank you, and welcome to ACT.

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