DeFiCON: ICON Decentralized Finance

Contribution proposal by *iCONsolidation*

The project will be represented in the two categories, development and community activities. With the main focus on the financial governance irony, the project will be developed under the name of Deficon.

> *Deficon—A neoconservative who claims to be dedicated to preventing wasteful budget spending, but only ends up increasing the Nation's debt. They also tend to like cutting social programs for the poor to give the rich a free ride.*

Deficon. (n.d.). In *Urban Dictionary.* Retrieved from the Urban Dictionary

1. Introduction

The current Stake and reward distribution model need to be revisited as it relates more to the traditional Proof of Stake (POS) or Delegated Proof of Stake (DPoS) rather than the intended Delegated Proof of Contribution (DPoC) governance model. For the various reasons that will be addressed later in the paper, the Proof of Contribution is showing characteristics of a rather restrictive model where reward/return rates are favouring the "lazy" nodes.

There is a positive initiative from the community to address the staking distribution problem. While there are some truly interesting approaches, we believe none of these solutions are strong enough to tackle a complex problem like this. One of the reasons lies in the fact that almost all isolated initiatives start and end in the telegram channels or forum talks. For the same reason, we propose that the problem is addressed in a more professional and a permanent form.

In this proposal, we declare our intention to write a whitepaper that proposes a DeFiCON—a solution(s) to the current Delegated Proof of Contribution (DPoC) reward distribution model.

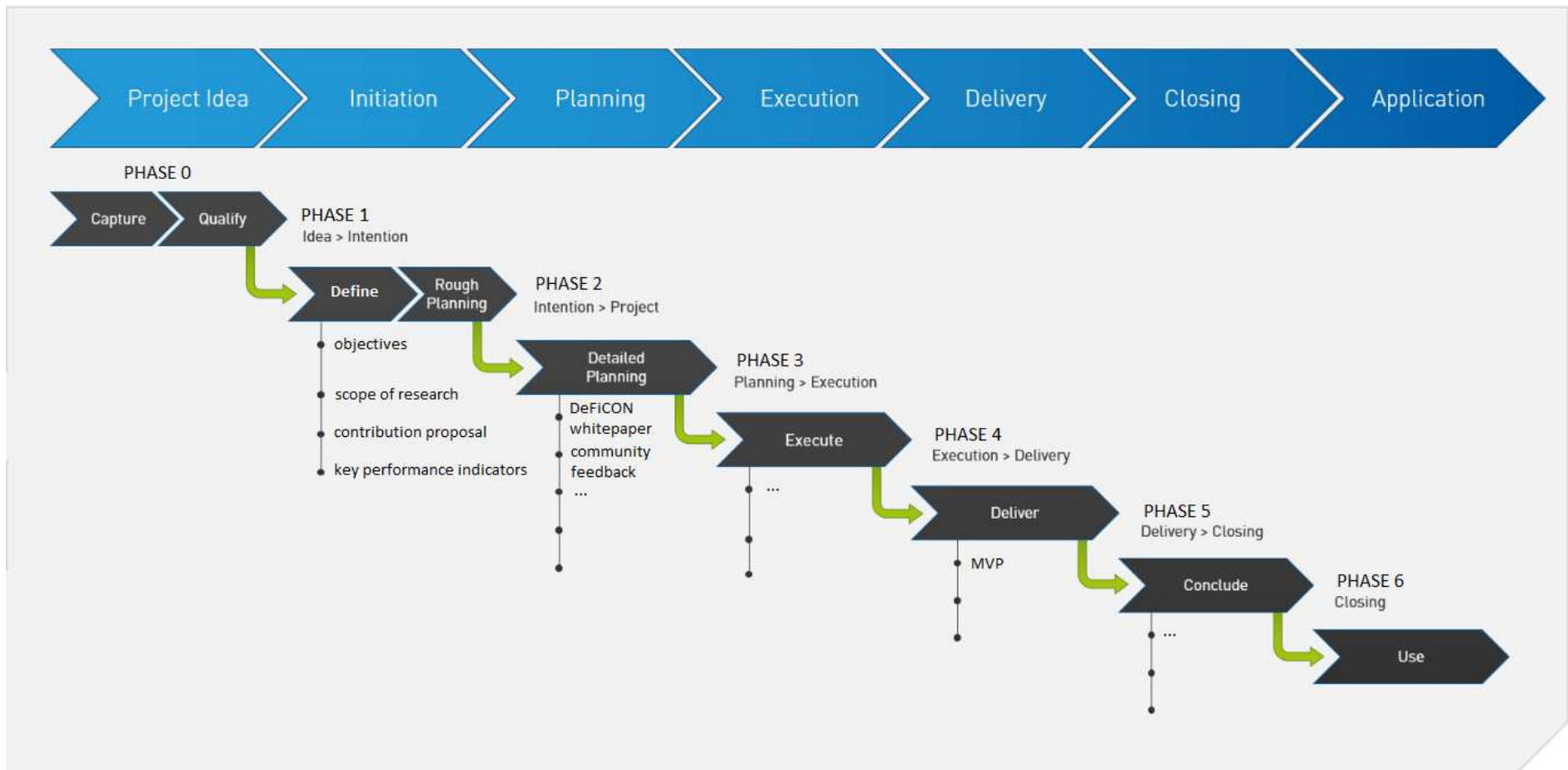## 2. Project initiation—Contribution proposal

DeFiCON project plan is divided into six stages, starting with the initial Project idea phase where imperfections of the current DPoC model and all related sub-models were observed. The idea to propose a better and more decentralized solution for the ICON ecosystem was formed.

The initiation phase primary goal is to transform the idea into the initiative with defined objectives. Research and understanding of the system imperfections are mandatory in order to develop a sustainable and stimulating solution for the problem.

Contribution proposal with a detailed project plan, the scope of the required research and key performance indicators for proposal are vital parts of this phase.

The objective of the contribution proposal is to get support from ICON Foundation through a community grant program to deliver the objectives from the proposal and transition the project from the Intention to the Project form. DeFiCON whitepaper will include detailed design of the solution and will be a vital document used for the further execution of the platform.

In the following chapters, the basic description of whitepaper content and the scope of the research will be explained.

Project Idea → Initiation → Planning → Execution → Delivery → Closing → Application

PHASE 0

Capture → Qualify

PHASE 1
Idea > Intention

Define → Rough Planning

- objectives
- scope of research
- contribution proposal
- key performance indicators

PHASE 2
Intention > Project

Detailed Planning

- DeFiCON whitepaper
- community feedback
- ...

PHASE 3
Planning > Execution

Execute

- ...

PHASE 4
Execution > Delivery

Deliver

- MVP

PHASE 5
Delivery > Closing

Conclude

- ...

PHASE 6
Closing

Use

DeFiCON project plan

2.1 DeFiCON concept

DeFiCON is a decentralized financial governance platform designed to improve the Proof of Contribution experience for the ICON Foundation, P-Reps, and the community. The platform early blueprint consists of:

- functions for financial transparency, budget control, and project evaluations,
- a community hub for collaboration and talent gathering, providing a toolkit for developing ideas into the professional proposals,
- service for ICON Foundation to broadcast achievement and development goals. It will be a tracking system for project plan execution of community grant proposals,
- management of the image, reputation, and history of the P-Reps,
- integration of all the features to provide a measurable PoC indicator.

A detailed model with a clear plan on how to integrate all participants and functions into the platform is the main objective of the whitepaper.

2.2 P-Reps

In-depth research required on the current ecosystem participants with the analysis on how to distinguish proactive from the "lazy" nodes. Node categories need to be established in order to positively evaluate contribution/reward ratio (development, infrastructure, community, content creating,..) where node participation will be voluntary. Reward distribution model to be defined with the proposed incentive to stimulate the P-Reps to be more proactive with the reward system based on achieved PoC KPIs.

2.3 Voters

Probably the most dysfunctional part of DPoC model. The model of the vote distribution needs to be defined. Model baseline to be determined with the proposed incentives to decentralize the votes and implement a better PoC parameter that a common voter can refer to. Tool for monitoring and comparing the distribution line and baseline to measure incentive success rate to be proposed. The proposed incentive needs to stimulate public engagement, not penalize passive voters.

2.4 Centralized initiative

Our goal is to dramatically improve the governance experience by resolving problems and reducing friction in the governance process. We want to provide proposal owners with additional tools to present their offerings to the network in a more structured way to simplify the proposal evaluation process and reducing the workload involved in making well-informed decisions

3. Conclusion

As a P-Rep ranked 77th on the list with the monthly budget of less than 400$ we are a typical example of the struggle and probably the main restrictive factor of the wider P-Rep contribution to the network. All of our work so far was either voluntary or self-funded. We strongly believe a wider P-Rep audience needs to be stimulated to add additional value to the ICON project.

We believe this proposal with the different funding approach should serve as an example for both ICON Foundation and Public Representative nodes. By approving this proposal, ICON Foundation will encourage ecosystem growth by promoting proactive initiatives. By accepting a different funding approach, ICON Foundation will have an opportunity to test a new and more conscious funding model that is further explained in the following paragraph.

Public Representatives will get a positive stimulation to step out and try to develop the ideas in a controlled and financially more responsible way.

Upon successful application and delivery of the DeFiCON whitepaper, we will approach other P-Reps and we look for a collaboration opportunity to deliver the product with the minimum spending.

4. Team background

A small team represented by a passionate engineer with a Master of Science in engineering degree. Last 20 years spent in the field making sure things are working and deadlines are met. Work experience in over 30 countries on 5 continents.

5. Project Duration

The estimated project duration is 30–45 days. Flexibility comes from the fact that this is a research project and extra time can be caused by chasing the additional leads.

6. Key Performance Indicators

- Project delivered within budget
- Project delivered within the expected timeframe
- Minimum one mid-project progress update
- Project delivered in a paper form with no less than 25 pages
- Start a community group for community discussion about the project and use its feedback to fine-tune the solutions
- Track the effect of the new type of funding experiment on the P-Rep status

7. Funding amount requested

All of our work that leads to this paper is self-funded. For further development, we want to stay budget responsible by spending our own funds. All previous contribution proposals were based on the lump sum investment from the ICON Foundation. As a part of our DeFiCON solution, we are proposing a different approach to the funding.

Stimulation proposal

Our proposal for ICON Foundation is to stimulate our project by supporting proposal owner P-Rep iCONsolidation with **300 000 unused Foundation votes for a minimum period of 30 days**:

- iCONsolidation will earn around 3500 ICX (~1400 $) over the period of 30 days from the extra votes
- iCONsolidation will contribute tax and cost deducted P-Rep earnings (~280$)
- Fund of 1680$ represents around 1/3 of the work cost for the project. iCONsolidation will self-fund additional costs in order to make a successful first step and to get a chance to test the new funding initiative on a real case

Benefits:

- Actual cost of ICON Foundation—0 ICX
- Strong budget control, ICON Foundation has full control of votes and can withdraw them as soon as project diverts from the plan
- Incentive for the proposal owner to develop a strong and financially sustainable project plan
- Incentive for proposal owner to report progress and KPIs
- Opportunity to deploy unused Foundation votes

8. Official team name

iCONsolidation

Candidate detail: https://icon.community/iconsensus/candidate_detail/157/

9. Team Contact Information

Telegram: https://t.me/iCONsolidation

Telegram group to discuss proposal: https://t.me/iCONsolidationChat

Twitter: https://twitter.com/iconsolidation

Medium: https://medium.com/@iCONsolidation

GitHub: https://github.com/iCONsolidation/Icon-P-Rep/raw/master/DeFiCON_proposal.pdf

10. Public Address

hx55f2cc3244350085734f4e405f761ecf3d2095b3