

# 9b62b3c632f329016a968ac25211825bb4f84b12461121c7da3aa11df92370f9#0 - Governance Action Voting Rationale - DRep

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## 1. Governance Action Details

- **Title:** 2025 Net Change Limit
- **Action ID:**  
9b62b3c632f329016a968ac25211825bb4f84b12461121c7da3aa11df92370f9#0
- **Type:** Info Action
- **Submission Date:** 25.03.2025
- **Expiry Date:** 24.04.2025
- **Links:** [GovTool](#), [Adastat](#), [Cardanoscan](#)

## 2. Voting Recommendation of Governance Advisory Team

- **Recommendation:** Yes
  - **Vote Summary:**
    - **Total Votes:** 5
    - **Votes in Favor:** 3
    - **Votes Against:** 1
    - **Abstentions:** 1
    - **Votes Not to Vote:** 0
    - **Not Voted:** 2
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### 3. External Rationale

The Cardano Foundation as a DRep votes YES on the info governance action (gov\_action1nd3t833j7v5sz65k3tp9yyvztw60sjcjcgr37682s3m7frwrsqmd2k80) proposing a Net Change Limit (NCL) of 350,000,000,000,000 lovelace (350 million ada) for 2025 (Epoch 532-604). This decision reflects our assessment that the proposal provides a necessary foundation for Cardano's budget process and treasury management.

Establishing an NCL is a constitutional requirement (Article IV and Appendix I) and a required step for unlocking constitutional treasury withdrawals. We believe this proposal aligns with key governance principles:

1. **Appropriate Term:** We believe that to ensure adaptability in Cardano's dynamic environment, starting with a one year NCL is most appropriate. It allows future NCLs to be informed by realized data. Once processes mature, a multi-year NCL can be reevaluated.
2. **Acceptable Methodology:** Setting the NCL based on the previous year's total treasury inflows, offers a fiscally responsible, if somewhat simplistic, approach grounded in empirical data. While we note that the 350 million figure is slightly above the actual 2024 inflow (~336 million ada) the principle itself remains acceptable for a first period. We encourage refinement in the methodology of this calculation for future cycles.
3. **Adherence to Best Practices:** We are satisfied to see the use of IPFS links for metadata and supporting documentation.

#### Relevant Articles (RelevantArticles)

- Metadata Anchor URL (Original URL):  
ipfs://bafkreiaqno22swabd3kcqt2awtgwaucdzaagacoemxwadm3exrchhnfite
  - Metadata Anchor Hash:  
973452e7c4d204c883c6a9e4c31f72ad6237e827ce05e141f3374c8a04f01bc
  - **Treasury Inflow/Outflow Data (Spreadsheet - IPFS):**  
ipfs://bafkreicbaiolimteghbwt54veiuw53nc3eaijudtboif2p6xlsr74myfxy
  - **Treasury Inflow/Outflow Data (PDF - IPFS):**  
ipfs://bafybeihms6haw35awizxa37kuo4qghgmjklr6lvrc126mdsk4f6rxdwv4
  - Cardano Constitution (Relevant Sections: Article IV, Appendix I):  
ipfs://bafkreiazhhawe7sjwuthcflg3mmv2swec7sukvclu3oli7qdyz4uhhuvmy
  - “Our Cardano” by the Cardano Foundation:  
<https://www.cardanofoundation.org/our-cardano>
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