Algorand Consensus

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Blockchain

Algorand Consensus

Decentralized Byzantine Agreement protocol that leverages pure proof of stake (Pure PoS)

- can tolerate malicious users
- no need for a central authority, as long as a supermajority of the stake is in non-malicious hands.
- ullet extremely fast (currently, one new block every pprox 4 sec)
- requires minimal computational power per node

► Source: https://developer.algorand.org/docs/get-details/algorand_consensus/

Verifiable Random Functions

[Micali, Rabin, and Vadhan, 1999]

- A Cryptographic Primitive:
 - ▶ a public key pk
 - ▶ a secret key sk
- Given value x and (pk, sk)
 - ▶ it is possible to compute y = F(pk, x) and a proof Π that y is the correct value
- Given (x, y, Π) and a public key pk
 - it is possible to verify that y is the correct value
- Used to conduct a "lottery"
 - each user can compute F on a public known value x and check if y = F(pk, x) lies in a given range. If it does, the user has "won the lottery" and can prove it by showing Π .
 - ▶ Lotteries are used to determine who takes part to the different steps of the consensus protocol. if it selected to take part to consensus

VRF used by Algorand ⇒ https://datatracker.ietf.org/doc/html/draft-irtf-cfrg-vrf-10

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Participation Keys

- To take part in consensus, a user must be online
- This means that some secret key of the user should be given to a node
- Users should not use the spending key for consensus.
 If the node is compromised, the user could lose the algo
- Instead...

Participation Keys

- a user generates and registers a participation key for a certain number of rounds
- it also generates a collection of *ephemeral* keys, one for each round, signs these keys with the participation key, and then deletes the participation key.
- each ephemeral key is used to sign consensus messages for the corresponding round, and is deleted after the round is over.
 - Using participation keys ensures that a user's algos are secure even if their participating node is compromised.
 - Deleting the participation and ephemeral keys after they are used ensures that the blockchain is forward-secure and cannot be compromised by attacks on old blocks using old keys.

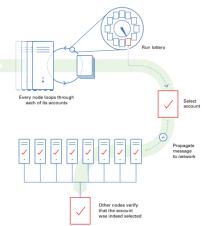
Consensus

- Block Proposal
- Soft Vote
- Certify Vote.

All messages in each phase are signed with one of the ephemeral keys of the round.

I - Block proposal

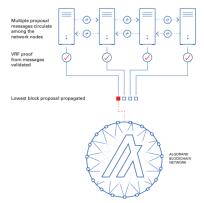
- A node has a certain number of accounts
- The node uses a VRF to run a lottery and select each account with probability proportional to number of tokens of the account
- Propagates selected accounts to other nodes and poposed block
- Nodes verify that account was selected by the VRF



II - Soft Vote

Filtering down the number of proposals to only block

- Each node get proposals from other nodes
- \bullet Verify the signature of the block and the selection through the VRF proof Π
- The block with the lowest VRF hash will be propagated
- This is done for a fixed amount of time



II - Soft Vote

- Each node runs VRF again to see if any of the accounts is chosen for the soft vote committee
- All chosen accounts will have a weighted vote based on the number of algos the account has
- These votes will be for the lowest VRF block proposal calculated at the timeout and will be sent out to the other nodes along with the VRF Proof.
- A new committee is formed until a quorum is reached

III - Certify Vote

- A new committee checks if there is any overspending or other problem with the block proposed
- Committee is selected by using the VRF and each account has a weight equal to its number of algos