

Regenerative Finance AVC Decision: Quarterly Position Documents

The quarterly Aligned Governance Strategy and Aligned Scope Proposals position documents for the quarter ending June 30, 2023 have been co-authored by AVC Members ACRE DAOs and [@SpaceXponential](#).

The position documents were individually ratified by the approval of ACRE DAOs, the single majority MKR holder of the ReFi AVC, on June 28, 2023.

ReFi Aligned Governance Strategy <https://etherscan.io/verifySig/20948>

ReFi Aligned Scope Proposals <https://etherscan.io/verifySig/20949>

The ReFi AVC Notion is LIVE!

With the publication of our first set of position documents, we are pleased to announce the beta launch of the ReFi AVC Notion hub at <https://refiavc.notion.site/>

We hope this resource will be a great place to start for all things Endgame whether you are Maker OG or complete newbie. And that it will provide a one-stop-shop on all you need to know to keep up with the ReFi AVC!

Position Document Notion Links:

[Regenerative Finance AVC Aligned Governance Strategy](#)

[Regenerative Finance AVC Aligned Scope Proposals](#)

ReFi AVC Position Documents TEXT

The text of our Aligned Governance Strategy and Aligned Scope Proposals is copied below for convenience.

Regenerative Finance AVC Aligned Governance Strategy

Regenerative Finance AVC Profile:

We are MKR holders and guardians of the public good.

We shape Maker governance through a Balanced lens valuing innovation & the discerning stewardship of funds.

We prioritize the provisioning of a decentralized, permissionless and globally available “Unbiased World Currency.”

Regenerative Finance AVC Aligned Scope Proposals

Summary of Proposals

Pursuant to the requirements set forth in the Maker Atlas Immutable & Mutable Alignment Artifacts (the “Atlas”), Aligned Voter Committees (AVCs) are instructed to draft an Aligned Scope Proposal for each of the five (5) Scopes, specifically focusing on the Advisory Council Articles. ([GOV 2.9.2.1](#), [GOV 2.9.4](#))


Regenerative Finance (ReFi) AVC seeks a work product written by an Advisory Council member from each of the Scopes. This work product will establish the “starting point” that allows ReFi AVC to translate its [Strategic Perspective](#) into position documents suited for ratification at the end of Q3 2023.

Advisory Council Articles

Introduction

AVCs are tasked with 1) the improvement of the [Scope Bounded Mutable Alignment Artifacts](#) (Scope Artifacts) via 2) proposing updates to the Advisory Council Articles.

At this early stage of the Pregame, we are generally aligned with the Atlas requirements that AVCs focus on building a self-sustainable, continuous improvement process for the Scopes, specifically by retaining appropriate [Advisory Council Member Ecosystem Actors](#). ([GOV 2.9.4](#).)

 “Scope Advisory Councils are groups of Ecosystem Actors approved by Maker Governance to perform Scope Artifact Advisory Projects that aim to produce objective, fact-, data- and expertise driven upgrades to the Scope


Artifacts they specialize in. **Their Advisory output is used as the starting point for Aligned Scope Proposals**” (Atlas, [Definitions](#))

Yet it is not currently possible for AVCs to design an effective protocol for recruiting Advisory Council Members and prioritizing related projects. Such a task presupposes a significant range and depth of professional and experiential expertise in decentralized finance, traditional finance, and the MakerDAO ecosystem.


The Atlas provides that such expertise should be procured through [Scope Advisory Councils](#) and not AVCs. Further, while Advisory Council Members can be domain experts in traditional or decentralized finance, it is not likely that they will have the needed expertise in the MakerDAO ecosystem. Indeed, given the innovative nature of Endgame, the core Maker contributors (the Facilitators) are likely the sole ecosystem actors who possess the requisite level of context and expertise in MakerDAO.


Notably, the Atlas provides that AVCs may get professional input regarding possible improvements in Scope Artifacts from either Advisory Council Members or

FacilitatorDAOs.

 [GOV 2.9.3](#): FacilitatorDAOs and Scope Advisory Councils A critical governance interaction is AVCs getting professional input from Advisory Council Members about specific improvements that are possible in the Scope Alignment Artifacts. This happens with the FacilitatorDAOs following the instructions defined in the Advisory Council Articles. FacilitatorDAOs can also provide input directly to AVCs.

ReFi AVC is not well positioned, nor is it permitted per the Atlas, to micromanage governance. In our interpretation, the explicit prohibition against “micromanagement” means that AVCs should not be involved with the day-to-day operating and management decisions being performed by the decentralized workforce of professional Ecosystem Actors.

 [GOV 2.5.8](#): AVCs must limit their participation in Maker Governance to the creation of Aligned Governance Strategy and Aligned Scope Proposals that function resiliently based on open, objective processes and stay at a high enough level to ensure micromanagement isn't possible. AVCs must not attempt to create biased or unfair conditions for specific Ecosystem Actors, or attempt to put in place unjustified, granular decisions directly, or indirectly through biased processes. GOV5 must specify processes in which AVCs are deactivated and their members derecognized in case there is clear misalignment risk.

 [GOV 2.5.8.1](#): Any attempt by AVCs to micromanage governance significantly increases the risk of misalignment as there could easily be a hidden conflict of interest behind the attempt at micromanagement.

Proposal

A. Appoint Advisory Council Members to Identify High-Value Areas for Improvement in Scopes


Our key proposal is that the relevant current Facilitators of each Scope Artifact use their powers to appoint one Ecosystem Actor for each Advisory Council. The Advisory Council Members will consult with the respective Scope Facilitators, as these latter are currently the most knowledgeable ecosystem actors and are intimately involved in the day-to-day of the Endgame transition.

With the assistance of Scope Facilitators, the Advisory Council Members will deliver a report to AVCs that:

1. identifies the immediate areas for improvement within the Scopes that are most valuable to MKR holders and sets out the reasoning behind this selection; and
2. presents a proposal in the form of an Amendment to each of the Advisory Council Articles detailing
 - (a) the process and objective requirements to guide FacilitatorDAOs in onboarding additional Advisory Council members to address the high-value areas requiring immediate improvement,
 - (b) the process and objective requirements to guide FacilitatorDAOs in allocating resources among the possible Advisory Council projects.

B. Finding Suitable Advisory Council Members


Using the Article references in the Governance Scope as an example, ReFi AVC proposes that effective July 1, 2023, Facilitators solicit proposals and find one suitable Advisory Council Member to deliver the above-described work product to the AVCs by September 1, 2023.

 [GOV 1.1.2.1](#): Each Quarter, if they deem it necessary, the Governance Facilitators must solicit proposals and find one or more suitable Advisory Council Member to perform a project that will result in output that can be used to improve the Scope Artifact. This work output will be presented to the AVC Subcommittee Meetings as input for their Aligned Scope Proposals. As many AVCs as possible should be supported this way, prioritized by the Governance Facilitators.

C. Timeline


Facilitators should determine a limited process that meets the requirements of the relevant Scope Artifacts Scope Improvement Articles, and trigger the necessary Governance votes and forum posts in order to have a budget and Ecosystem Actors approved to start work on producing their work output deliverable by August 1, 2023.

Facilitators should be mindful of the time constraints involved to deliver a useful work product to AVCs by September 1, 2023. Thus, the requirements and process for soliciting applicants must be narrowly tailored to meet these constraints. Such a process can be improved in later amendments that iterate on what was learned.

 [GOV 1.1.4](#): The Governance Facilitators have a budget available to pay for Advisory Council Projects per quarter. All spending must be limited to only what is deemed necessary and with a high probability of producing clearly measurable value, and this must transparently be accounted for in a forum post at least a week before any transaction occurs.

Conclusion

The above Scope Proposals meets the requirements of [GOV 9](#), as well as the AVC requirements regarding [Scope Bootstrapping](#):

 [GOV 12.4](#): During bootstrapping, until the Scope Improvement Articles of each Scope Artifact are well developed, AVCs must focus on making Aligned Scope Proposals that improve the Scope Improvement Articles.

Considering the totality of relevant Atlas Scope Artifact provisions, as well as our mandate as stewards of the “spirit of the rules,” we propose that a foundation must first be laid before AVCs can fruitfully drive forward movement on the Advisory Council Articles. As set out above, domain experts should be brought on who can collaborate with Scope Facilitators to hone in on the high-value areas of improvement in the Scopes. Once this foundation has been laid by the ecosystem actors with the most relevant domain knowledge, AVCs can step in to steer the quarterly improvement process as currently envisioned in the Atlas.