Regenerative Finance AVC Decision: Quarterly Position Documents & Q2 2024 Subcommittee Meeting Schedule

Decision #1

The quarterly Aligned Governance Strategy and Aligned Scope Proposals position documents provided below for the quarter ending March 31, 2024 have been authored by AVC Member ACRE DAOs.

As of March 8, 2024, ReFi AVC Member fhomoney.eth transferred their verified amount of MKR out of their blockchain account unilaterally removing themselves as an AVC Member. According to MIP101 Section 2.5.4.2:

If an AVC member's blockchain account has less MKR than their verified amount, they are automatically removed from the AVC.

The position documents were ratified by the approval of ACRE DAOs, the sole member of the ReFi AVC, on March 31, 2024.

Decision #2

Subcommittee Meetings:

Regenerative Finance AVC Subcommittee Meetings in Q2 2024 will be held weekly on the following Tuesdays at 3pm New York Time:

April 2, 2024

April 9, 2024

April16, 2024

April 23, 2024

April 30, 2024

May 7, 2024

May 14, 2024

May 21, 2024

May 28, 2024

June 4, 2024

Verification Transaction
https://etherscan.io/tx/0xac6608587e84e41d2780ee6538a394eada1a71810e248c6306b461ca0caa1ff7

Following the Endgame Documentation Safe Multisig Signing Guide

ReFi Aligned Governance Strategy Q1 2024

Regenerative Finance Aligned Voter Committee (ReFi AVC)

Q1 2024 Conclusions:

The text of this Governance Strategy document remains substantially the same as the version ratified at the end of Q4 2023.

We acknowledge that the current effective version of MIP113 : Alignment Conserver (AC) Bootstrapping Focus includes the following requirements for AVCs during the current bootstrapping phase of Endgame:

AVCs must devote the majority of their time and energy towards discussing and understanding how the Next Generation Atlas will work and how to incorporate AI efficiently into long term governance and AVC operations, as well as assisting in the creation of the Next Generation Atlas. This priority supersedes their other responsibilities, and if an AVC Member has been deeply involved in Atlas creation and improvement, they can be made completely exempt from other AVC duties, when qualifying for AVC Member compensation. This exemption is determined retroactively by a Governance Facilitator when calculating AC compensation, and guidance for obtaining the exemption can be provided in advance given specific, Atlas-related KPIs, published by a Governance Facilitator.

Members of ReFi AVC throughout the quarter have devoted the majority of their time and energy in Q1 2024 towards discussing and understanding how the Next Generation Atlas will work, and how to incorporate AI efficiently into long term governance and AVC operations. AVC Members attended all meetings held by Atlas Axis during the quarter and devoted significant time during subcommittee meetings to explore what was shared in greater depth, with specific focus on the emerging Strategic Perspective of Regenerative Finance AVC.

For example:

Presentation by former AVC Member @fhomoney:

AVC Creation (Regenerative Finance AVC) [Regenerative Finance AVC

](/c/avcs/refi-avc/80)

For today's ReFi AVC meeting I prepared some slides!

Join us live in Discord - ReFi AVC Voice Channel 3pm EST In addition to introducing our new Subcommittee Meeting focus on collaborative learning about the next generation Atlas and contributing to the Atlas work, the slides cover a few points being discussed in these threads that have just been split out and renamed on the Forum:

[Slide1] [Slide2] [Slide3] [Slide4] [Slide5] [Slide6] [Slide7] [Slide8] We will save time at…

Presentation by ACRE DAOs member @christiancdpetersen:

drive.google.com

[

](https://drive.google.com/file/d/1n9Y-nRYKHrsRKwAZzRwV3lX9Ax1fV0ox/view?pli=1)

[**Regenerative Finance AVC.pdf**](https://drive.google.com/file/d/1n9Y-nRYKHrsRKwAZzRwV3lX9Ax1fV0ox/view?pli=1)

Google Drive file.

Our views on what is required for AVCs and AVC Members have evolved over the course of the prior four quarters. We believe it is necessary and paramount that all AVCs have at least one member participant engaged within the significant work of the GAIT and Next Generation Atlas creation, including attending all scheduled sync meetings.

An AVC cannot be effective or support universal alignment if it does not have a core team (or person) within the AVC responsible for having first-hand knowledge of the development of the data sets and frameworks that will power all of NewDAO and produce the Endgame.

In future quarters it may be possible that AVCs can accommodate MKR/NewGov holders who are only passively or casually interested in setting policy for MakerDAO/NewDAO. However, at this stage and until AI-enabled support is available AVCs cannot perform their needed function if AVC Members themselves are out of the loop or disengaged from the creation stage of the system in which they will play a core and critical role.

The evolving substance of our Governance Strategy outlined below will be responsive to our learnings from the Next Generation Atlas activities. This document must become purpose built according to the specific needs of the overall data structuring, ingestion, grounding, capturing, et al as may emerge in the coming quarters.

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."

Executive Summary

Over the course of several quarters, the Regenerative Finance AVC will develop this Aligned Governance Strategy document through an iterative process of:

(A) synchronous community gathering at scheduled Subcommittee meetings;

(B) incorporating asynchronous knowledge work and comments from our Aligned Delegates;

(C) engagement with DeFi and TradFi participants outside of our particular governance bubble, including MakerDAO Ecosystem Actors, counterparties and other stakeholders; and

(D) publishing an updated and revised version of this Governance Strategy at the conclusion of every calendar quarter.

The ReFi AVC Governance Strategy is framed by the following four broad priorities:

(1) Resiliency through Legitimacy and Social Consensus.

(2) Defining "Regenerative" Finance, or ReFi, for our purposes as both organizational (decentralized) and technological (crypto-native) change empowering ordinary people with permissionless access to financial services that are anti-fragile, transparent and corruption-resistant.

(3) Advocating for research and development of alignment-based incentive structures and mechanisms for subDAO adoption and use.

(4) Articulating a clearer vision of what Maker's Public Good Purpose System could look like, based on the spirit of the rules.

Over the course of Q2 2024 (and beyond), we will explore:

(A) How should the 4 ReFi AVC priorities be further defined and articulated?

(B) What are specific elements within the Maker Endgame organizational and governance design that bear on the ReFi AVC priorities?

(C) Based on where organizational resources are being directed along the[Endgame 5 Phases](#) roadmap, where would the focus and activities of the ReFi AVC provide the greatest positive contribution in support of the work being undertaken by the whole? Why and How?

(D) How should AVC Members and Aligned Delegates allocate their time and make decisions in the short-term so that priorities are achieved in the longer-term?

ReFi AVC Priorities: Discussion Resources

To reiterate from the Executive Summary above, the Regenerative Finance AVC is setting out 4 AVC priorities that MKR holders and Aligned Delegates (ADs) should use in determining their interest in supporting the ReFi AVC (including how ADs make their own determinations on voting decisions that align with ReFi AVC).

#1

Resiliency through Legitimacy and Social Consensus.

References:

[The Most Important Scarce Resource is Legitimacy by Vitalik Buterin](#)

"To understand the workings of legitimacy, we need to dig down into some game theory. There are many situations in life that demand coordinated behavior: if you act in a certain way alone, you are likely to get nowhere (or worse), but if everyone acts together a desired result can be achieved."

[Rethinking Legitimacy in DAOs by Mangrove DAO](#)

"For societies, legitimacy is like the air we breathe. We take it for granted. We don't notice it. But if it disappears, everything can collapse. This is why it is so important to understand how legitimacy is established in DAOs."

#2

Defining "Regenerative" Finance ("ReFi") for our purposes as both organizational (decentralized) and technological (crypto-native) change empowering ordinary people with permissionless access to financial services that are anti-fragile, transparent and corruption-resistant.

Example: EDSR, sDAI and subDAO Multichain Strategies - prioritizing innovations that bring the savings and wealth accumulation potential of a U.S. money market account to everyone, anywhere in the world regardless of national origin, economic status or access to traditional banking.

#3

Advocating for research and development of alignment-based incentive structures and mechanisms for subDAO adoption and use.

Reference:

[Abundance Protocol White Paper - Regenerative Economics by Abundance DAO](a member DAO of [ACRE DAOs](

"The advent of blockchain-based smart contracts, bolstered by their success in spinning off new forms of financial and social organization mechanisms, sparked interest in applying the new technology to creating new funding mechanisms, solving coordination failures, and redirecting some of the great wealth generated in the crypto space toward public goods.

These efforts brought much innovation and excitement to the otherwise stagnant field of public goods funding. Some of the most notable progress has been made in developing network effects to boost crowdfunding of public goods, decentralizing and democratizing funding decision-making, and creating potential investment funnels in public goods based on retroactive funding.

Quadratic Funding:

QF is an application of quadratic voting that is designed to optimize the distribution of matching funds according to the preferences of the community. This is achieved by giving more weight to the number of people who support a cause over the total monetary amount going toward the cause. By democratizing the fund matching process QF incentivizes small donors to participate in the process and get an outsized influence over which projects get more funding. Meanwhile, large donors get social capital for funding the projects that the community wants to support.

Retroactive Funding:

Since it's much easier to determine the impact of a public good after the fact instead of predicting expected impact, the idea of RF is to guarantee funding for successful public goods projects retroactively — once the impact is already assessed. By guaranteeing funding, an organization can create a market for VCs and individuals to invest in public goods based on their expected impact (instead of expected profitability).

Impact Certificates:

While both Quadratic Funding and Retroactive Funding require an external source of funding that can later create network effects around public goods funding, impact certificates attempt to create a market for public goods through speculation on the expected value of an NFT representing the impact of a public good. At the time of writing, this mechanism is still in early stages of development, and questions remain regarding the demand for such certificates (and whether market forces will drive investment based on actual impact, instead of distorting that market) but it shows how far the thinking in the field of regenerative economics has advanced compared to traditional funding models."

#4

Articulating a clearer vision of what Maker's Public Good Purpose System could look like, based on the spirit of the rules.

ReFi Aligned Scope Proposals Q1 2024

Regenerative Finance Aligned Voter Committee (ReFi AVC)

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.

We acknowledge the current effective version of [MIP113 : Alignment Conserver (AC) Bootstrapping Focus](provision pertaining to additional AVC requirements::

AVCs must devote the majority of their time and energy towards discussing and understanding how the Next Generation Atlas will work and how to incorporate AI efficiently into long term governance and AVC operations, as well as assisting in the creation of the Next Generation Atlas. This priority supersedes their other responsibilities, and if an AVC Member has been deeply involved in Atlas creation and improvement, they can be made completely exempt from other AVC duties, when qualifying for AVC Member compensation. This exemption is determined retroactively by a Governance Facilitator when calculating AC compensation, and guidance for obtaining the exemption can be provided in advance given specific, Atlas-related KPIs, published by a Governance Facilitator.

Members of ReFi AVC devoted the majority of their time and energy in Q1 2024 towards discussing and understanding how the Next Generation Atlas will work and how to incorporate AI efficiently into long term governance and AVC operations. ReFi AVC Member participants attended all meetings held by Atlas Axis during the quarter and devoted significant time during subcommittee meetings to explore what was shared in greater depth, with specific focus on the emerging Strategic Perspective of Regenerative Finance AVC.

Based on our participation, we believe the purpose and function of AVC Aligned Scope Proposals as defined in the current version of the Atlas should fit in as content inputs through the AVC Member "Reviewer" role in upcoming Atlas Axis workstreams set to begin after a core group of "Drafters" prepares Documents for our review.

As the practical and hands-on work ramps up on next phases of crafting the [Next Generation Atlas and Governance AI Tools (GAITs)](, we expect the AVC Scope Proposal requirement and AVC Member role will be further clarified via Atlas amendment and shift away from unilateral Advisory Council Article proposals amending the static existing text of the Atlas MIPs set.

How proposals become part of the Atlas will look entirely different from the current MIP102 monthly governance cycle voting. ReFi AVC believes it is time to focus our efforts on what that future process will look like and accept that progress on Advisory Council (aka "Scope Advisors") can and should occur within the advanced rule sets and processes being developed through the Next Generation Atlas work streams.

Accordingly we conclude it is appropriate to reiterate our limited Scope Proposals below, which have remained unchanged since the first pregame quarter-end (Q2 2023). No action or engagement with these proposals in their current form has occurred over the preceding quarters, nor has any consensus emerged on how the publication of this document can be useful, actionable or effective toward a particular end result. What has emerged instead is an impressive adjacent

effort regarding the development of the AI-enabled Next Generation Atlas.

Advisory Council Articles

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 Q2 2024.

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](#).

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/NewDAO ecosystem. Indeed, given the innovative nature of Endgame, the core contributors, Facilitators and engaged Ecosystem Actors are likely the sole ecosystem actors who possess the requisite level of context and expertise in MakerDAO/NewDAO to provide a starting point for effective and helpful contributions by AVCs.

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

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 and AVC Members should not be involved with the day-to-day operating and management decisions being performed by the decentralized workforce of professional Ecosystem Actors, including at this stage defining at a granular level what processes, budgets and requirements should be upheld for Advisory Council hires.

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. These Advisory Council Members will consult with the respective Scope Facilitators, as the 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; and

(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 April 1, 2024, Facilitators solicit proposals and find one suitable Advisory Council Member to deliver the above-described work product to the AVCs by June1, 2024.

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 May 1, 2024.

Facilitators should be mindful of the time constraints involved to deliver a useful work product to AVCs by June 1, 2024 giving us one month to incorporate the proposal information into our quarterly Scope Proposals. Thus, the requirements and process for soliciting applicants must be narrowly tailored to meet these constraints to the extent permitted by current versions of the Atlas. Such a process can be improved in later amendments that iterate on what was learned.

Conclusion

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

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 - starting with Article 1 and in a manner compatible with work underway on [the next generation Atlas and governance AI tools](#). Once this foundation has been laid by the ecosystem actors with the most relevant domain knowledge, AVCs can step in to be more active in steering the quarterly improvement process.

cc [@fhomoney](#) [@Abundance](#) [@christiancdpetersen](#) [@votewizard](#) [@ldr](#) [@JanSky](#)