

CVC Creation: Sovereign Finance CVC

Following the procedure described in §4.4.1 of [MIP 113](#), unaffiliated [CVC Member SEED Latam](#) hereby formally requests the creation of the Sovereign Finance CVC.

Dear Maker community,

From Latin America, we have witnessed first-hand the economic and political issues of the different countries, such as political corruption, obstacles in the financial system, devaluation of local currencies, and annual two or three-digit inflation. Therefore, we have [adopted and acquired DAI](#) and cryptocurrencies as a solution to overcome these challenges, advocating for decentralization, transparency, and security of a currency that would not erode our incomes and savings by the mere determination of a few.

Three years ago, we started [DeFi Latam](#) to bring crypto and web3 users to the DeFi ecosystem. Now, with SEED Latam, we work collectively to build the path toward decentralization and digital sovereignty.

[SEED Latam](#) is an organization that seeks to promote, support, and accompany the communities and leaders of Latin America. We are not mere entities but part of a vast ecosystem composed of communities, educators, developers, researchers, artists, entrepreneurs, students, and enthusiasts who promote knowledge and critical thinking about web3.

Our [first adventure](#) in governance was with Optimism, where we achieved significant support from the community to make our voice heard. Evidence of this was when we were alerted about the funds obtained from subsidies used for [self-delegation of the voting power](#).

With the End Game's new governance system, we believe it's the right time to join and participate. As Constitutional Voter Committee (CVC) we can propose, debate, and contribute with our perspectives to support Maker's transformations and path towards decentralization.

That is why today, after being recognized as an unaffiliated CVC member, we introduce you to the Sovereign Finance CVC.

Why Sovereign Finance?

Cryptocurrencies were created with the idea of returning the power of money to individuals. And we believe that MakerDAO should position itself and lead the growing financial revolution that enables autonomy, independence, and self-governance.

This voter committee's central values will be:

Growth and Adoption

: We will drive and support all initiatives that allow for massive growth and adoption of DAI while reducing risks associated with the protocol, particularly assets that could compromise its economic stability. During pre-game and early end game, we believe DAI's peg should stay as close to 1:1 as possible, a crucial factor to achieve much wider adoption, especially in developing countries; as a stable currency, it should convey safety and trust to DAI holders to achieve this purpose.

Long-term Sustainability and Revenue

: We will support and promote all initiatives and proposals that develop reliable, secure, and revenue-stable products for the protocol. It is necessary to provide healthy and stable sources of income that keep the DAO and protocol actors and participants aligned to guarantee that MakerDAO remains a relevant project over time.

Security and reliability

: We will also be alert to potential points of excessive centralization that could affect the protocol. Allowing us to guarantee optimal security, thus transmitting greater security for DAI holders, partners, and participants in the protocol.

Ethos and commitment

: We will actively contribute to the spread of DAI to all corners of Latin America and the world. We are committed to participating in the forum discussions, debates and in all activities carried out in the DAO. We will promote and spread not only DAI but also everything that surrounds the MakerDAO protocol in Latin American communities. Our ethos is aligned with the values of MakerDAO, and therefore our commitment goes beyond mere participation in governance.

This CVC supports the vision and roadmap outlined in the Endgame towards decentralization

. We believe that it is currently useful and beneficial to accept certain trade-offs between centralization and profit for sustainable growth in the short and medium term. However, we firmly believe that decentralization is a requirement that will define the success or failure of the protocol in the long term. Therefore, we expect ecosystem actor's proposals that introduce new business models to Maker to have clear definitions regarding duration, expected benefits, and how they propose to transition to a fully decentralized model that will not pose risks to the protocol.

As an organization committed to the principles of decentralization, autonomy, and self-governance, we believe that supporting public goods is a crucial component of creating a sustainable and inclusive financial ecosystem

. MakerDAO has the potential to be a leading force in the cryptocurrency community by actively contributing to the development and maintenance of public goods that benefit the broader community.

Public goods, such as open-source software (nowadays focusing on AI), educational resources, and infrastructure improvements, are essential building blocks for the growth and adoption of cryptocurrencies. They provide a foundation for innovation, foster collaboration, and promote accessibility for all participants in the ecosystem, regardless of their background or resources.

By supporting public goods, Maker DAO can help ensure that the benefits of decentralized finance are widely accessible and not limited to a select few. We recognize that investing in public goods may require trade-offs in the short term, but we believe that the long-term benefits far outweigh the costs. Maker DAO can contribute to the sustainability and resilience of the entire cryptocurrency ecosystem by actively engaging in efforts to support public goods.

In this regard, we commit to preparing educational content that promotes MakerDAO

and easily explains to MKR holders how to participate and involve in governance. We share the view that MKR holders' participation in governance is a key aspect of the protocol's success.

Also, being aware that not all Maker users understand the English language, in addition to complying with the subcommittee meetings as per the Maker Constitution (next to be Atlas Immutable Alignment Artifact) and the Arbitration Scope Framework, we commit to holding monthly subcommittee meetings in the Spanish language where we resume the topics discussed in our weekly meetings. We also encourage the other CVCs members to participate and engage through us with the Spanish-speaking community. All ideas should be discussed! Finally, we will share our Governance Strategy Document and Scope Framework position document in Spanish.

Regarding the dovish v hawkish dilemma, we prefer to go with a balanced strategy for MakerDAO that would aim to maintain stability while also promoting growth and innovation. By finding the right balance between these two objectives, MakerDAO could build a sustainable and successful platform that attracts new users and drives innovation in the decentralized finance space.

Some examples are:

- Maintain a stable peg while allowing for some flexibility: Maintaining a stable peg for DAI is crucial for the credibility of the platform, but some flexibility could be allowed to accommodate market fluctuations.
- Expand collateral options to attract more users and increase revenue streams while maintaining conservative requirements to ensure that loans are well-secured and unlikely to default.
- Adjust interest rates to balance stability and growth: During periods of high volatility, interest rates could be increased to maintain stability, while during periods of low volatility, rates could be lowered to stimulate growth.

Finally, we are aware that Scopes are currently under review and that modifications are being introduced right now. Once approved, we will start working on the document that defines our position on each Scope and proposes any additional modifications (Aligned Scope Proposal). Also, we are preparing our [Aligned Governance Strategy document](#).

We invite MKR holders and all those interested in the future of MakerDAO to participate in Sovereign Finance CVC and collaborate actively. Our goal is to explain our positions clearly and help shape the future of MakerDAO.

Constitutional delegates: By following us, you are placing your trust in a committee that will advocate for a pluralistic, growth-oriented, transparent, and secure protocol.

The subcommittee meetings organized by Sovereign Finance CVC will take place on Thursdays at 18:00 UTC. Once Sovereign Finance CVC gets the active status, we will share the meeting schedule as indicated by the latest modification to MIP 113, soon to be enacted. All meetings will be recorded and published on the Maker Forum.

We are excited to have the opportunity to contribute our knowledge, ideas, and experience to this initiative, hoping that our work will be of great influence on the protocol.