Briefing Note: Ontario Trillium Foundation

web3 & systems transformation
Shifting power to shape better futures for all

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PURPOSE

To explore how web3 can shift power, transform systems and shape better futures. In particular, how the concept of DAOs as **purpose driven networks of small autonomous teams** can redistribute power, value flows and resources across society at scale.

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WHAT ARE WE TESTING AND EXPLORING?

Key Questions:
- What does web3 uniquely enable to shift power and transform systems?
- What new models does web3 offer for mobilizing and distributing capital toward transformative outcomes?
- Where might web3 provide the greatest leverage for catalyzing systemic change?

PROJECT PHASES

Design Phase for the DAO Cell Model
Components of the Cell Design Phase:
- **Purpose and Insight:** Transformation Mapping using the *Three Horizons* Model
- **Community governance:** designing the larger community governance mechanism that will wrap the operational structures of the network
- **Operational governance:** designing the coordination primitives (including the Cell primitive) that allow the network to form useful and efficient operating structures
- **Resource, Treasury and Capital Model:** developing mechanisms for managing the flows of information and resources across the network

- **Governance support:** supporting community proposals to drive new activity across the network
- **Operational support:** best practice and tooling to help Cells to manage coordination and decision-making across the operational network of Cells

Research & Documentation:
- Documenting the DAO Cell and community governance playbook.
- Overview of examples of web3 applied toward intentional positive outcomes, including Impact DAOs, crypto philanthropy models, granting and investing mechanisms.
- Overview of examples where web3 uniquely enables systems level change.

Prototyping & Iteration Phase:
- Apply the DAO cell model in radical experiments for grassroots and participatory funding and capture the learning, including [All In For Sport](#), [Equality Fund](#) and [Reimagine Institute](#). Mobilizing and allocating capital in more equitable and distributed ways: shifting from traditional, donor-centric models of philanthropy to new approaches which center power and decision making in the hands of proximate change makers.
- Iterating and refining the DAO Cell and community governance framework and toolset so that it can be easily reused and evolved. Open-sourcing all designs so that others can utilize them in similar projects and can extend this work into new areas.

Sensemaking & Knowledge Sharing:
- Share the learning process through a series of blogs and other storytelling opportunities (examples [here](#)).
- Publish the *DAO Cell and Community Governance Playbook* under [creative commons attribution share-alike license](#) .

Engagement with OTF and other Foundations:
- DAOs and Philanthropy Salon, see concept [here](#).
- Offer continued web3 adventure tours and learning session(s) (example [web3 and systems transformation series](#)).

ROLES

- Core Team
- Contributors
- Financial Steward/Backbone
- Harvesters (for research and documentation)
- Storytellers
- Project Weaver

- Experiment Stewards (All In For Sport & Equality Fund)
- Learning Facilitators

BUDGET

Budget Request: $100,000 for 2023-2024

Potential Costs: (will be part of the Cell Design Phase to be determined by the community)
- Governance Design
- Finance/Economic Design
- Learning/Convening
- Writing
- Storytelling
- Social Media Strategy and Outreach
- Harvesting and Documentation
- Project Weaving
- Legal Costs

Note 1: In keeping with the principles of web3, the financials and decision-making for this project will be stored in a transparent and immutable way on open public blockchains
Note 2: The support and funding from OTF will be leveraged to mobilize additional capital required for the overall project and specific experiments with All In For Sport and Equality Fund.

BACKGROUND

DEFINITIONS:
web1: Read
web2: Read, Write
web3: Read, Write, Own

web3: a set of technologies that enable decentralized coordination and ownership. (via web3 in a nutshell))

Systems Transformation
Systems transformation involves creating previously unimagined possibilities and new ways of tackling our most wicked challenges/pressing problems. This includes mindset and paradigm

shifts that address the intersectionality, power structures and inequities of these deep systems. It goes beyond addressing a single mission or issue area but transforms multiple aspects of a given system for better futures.

WHY WEB3?

Web3 has the potential to redistribute power and resources. It is a new coordination infrastructure that allows people to come together to pool and govern resources across boundaries based on trustless, permissionless technology; consent-based decision making; and self-determination. ([All In For Sport](#), 2023)

Web3 tools, including public blockchains, web3 wallets, DAOs (decentralized autonomous organizations), NFTs (non-fungible tokens), cryptocurrencies and DeFi (decentralized finance), have the potential to transform the way we think about organizational and institutional governance and ownership. They create the opportunity for us to transition to a fundamentally more equitable, inclusive, community led and owned model of human coordination.

But this is by no means guaranteed. Web3 tools could just as easily recreate many of the wealth and power centralizing dynamics present in our legacy systems. We need to actively explore and experiment with these evolving capabilities to ensure that this generational opportunity is not lost.

PATHWAYS TO SHIFT PHILANTHROPY AND CAPITAL FLOWS:

Shifting Power
- Shifting power to those historically excluded and most impacted
- Giving people access to capital in new ways (e.g those with phones who are unbanked)
- Focus on shifting systems both internally and externally which includes infrastructure, governance, capital distribution
- Co-creation and co-ownership structures
- Often referred to as participatory decision making e.g. grantmaking, governance

Catalyzing Capital
- Unlocking new capital (e.g gitcoin and quadratic funding, regenerative finance)
- The ways we invest (eg impact investing, venture capital)
- New ways of valuing capital flows (e.g bonding curves)

Redesigning of Business/Organizational Models
- Governance design
- Capital redistribution design
- Participatory and community engagement design

- Connecting social and digital infrastructures
- Decentralized governance and ownership
- Transparency and open source
- Permisionlessness contribution
- Future of work/labour
- Opportunities for scale

OVERVIEW OF PARTNERS

SuperBenefit DAO

SuperBenefit's mission is to develop the social and financial flywheels that enable the invention and acceleration of a better world. This includes strengthening capacities for systems innovation and supporting people to clarify pathways towards shared goals.

SuperBenefit's work includes researching and incubating initiatives that harness the emerging technologies and practice of web3 (DAOs, NFTs, DeFi) in pursuit of systems transformation.

SuperBenefit - introduction [post](#)
SuperBenefit - [more info](#)

All In For Sport

Focus: Community ownership and inclusion in sport

Backed by Krause House DAO, [All In For Sport](#) is an experiment to bring together diverse communities in web3 and sports to partner in developing a perpetual funding mechanism for community initiatives that advance inclusion and empowerment through sport around the world.

All In For Sport is looking to find new ways to support communities and grassroots led sporting initiatives. Through transparent, autonomous system implementation, we envision a future where capital can be deployed to projects simply, efficiently and in communities that need it most. By eliminating complex systems it opens up a future for community driven, participatory projects that improve the health and well being of communities world wide.

[SuperBenefit DAO](#) is supporting the governance design using the DAO cell primitive framework and explores inclusion and systems transformation.

Equality Fund

We move flexible, abundant, and unrestricted funding to feminist movements, and we connect feminist leaders with a global community of philanthropists committed to the collective power of women, girls, and trans people worldwide.

The [Equality Fund](#) has the privilege of being deeply embedded in a global community of feminist activists and movements working to achieve gender justice. What might be possible if this community came together as a distributed cooperative community (DisCO), a variation on a decentralized autonomous organization (DAO)? How might feminist activists and movements inside of the DisCO make decisions on the distribution of the Equality Fund's grant portfolio? How can we use technology to create a participatory grantmaking system which gets stronger and stronger as more and more organizations connect together?

Participatory grantmaking models exist, many of which are already in use at the Equality Fund. But the success of these models only works at a small scale. We believe that web3 technology can transform participatory approaches to grantmaking, creating the conditions which fundamentally shift power, shift systems and create lasting change. We are dreaming of technology which can be designed to celebrate solidarity, is sensitive to political and geographic contexts, and is grounded in the individual and collective wisdom embodied by members of the DisCO.

Reimagine Institute

The [Reimagine Institute for Community Sustainability](#) is a London, Ontario based nonprofit whose vision is a world where humans live in peace and harmony with each other and with nature. Alongside its sister social enterprise, Reimagine operates a package-free grocery store, Thing Library and community event space; consults local organizations on reducing their environmental impact; and organizes and supports community workshops, events and campaigns.

Reimagine is exploring the possibility of transitioning into a Decentralized Autonomous Organization (DAO). The cooperative model initially considered by the Reimagine team was seen as limiting, steering them toward a more flexible and widely distributive DAO structure. A DAO, being a global and decentralized model, could extend Reimagine Institute's impact, turning it into a unique social experiment, resonating with its existing community-centric, change-making, forward-thinking ethos.

A DAO structure would potentially enable distribution of governance tokens to customers, volunteers, partners, funders, and other stakeholders, tapping into the collective intelligence of the community and encouraging broader participation. A DAO structure could also enable Reimagine Institute's various aspects, such as its package-free grocery store and the Thing Library, to operate as sub-DAOs or independent cells, giving each arm the freedom to evolve independently.

Reimagine is keen to explore and experiment with the specifics of the legal, operational, and community structures. Through a DAO model, Reimagine Institute could transform into a global community, redefining how we perceive local nonprofits.

RELATED RESOURCES

SuperBenefit website
SuperBenefit Mirror with governance & transformation storytelling fellow articles
web3 and systems transformation framework
All In For Sport Website
All In For Sport Mirror
Equality Fund DiSCO
UNBOXED Collective Futures: web3 and Community Foundations of Canada Journey, Michelle Baldwin
How web3 could disrupt existing institutions and bring about societal transition, Michelle Baldwin & Heenal Rajani

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