Constitutional Workshop Topics and Questions

Changelog:

Date	Updates
August 23	All question wording refined for clarity. Some questions removed. Voting model and amendment topics removed. Questions 12, 12a, 20 and 20a deprioritized.
Sept 14	Updated a date error in the CC section. Added Guardrail 3 as relevant to Q8.
Sept 18	Marked 06, 07, 17 and 19 as prioritized to increase the volume of responses. Marked 8 as deprioritized.
Sept 30	Updated wording of Q17 to clarify confusion about the use of 'term limit.' It refers to the limit on term length, not a limit on the number of terms that a CC member can serve.
Oct 1	Added geographies to prioritized/deprioritized questions that have not yet provided much feedback on the question.

Note on question prioritization

Some questions have been marked as prioritized or deprioritized. Deprioritized questions have already received significant input from other workshops. It is suggested that other questions should be picked, although if your community has a strong reason to still select it, that is permissible. Prioritized questions could use more attention, and are suggested to be selected if of-interest to your community.

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Workshop Questions

Principles and Tenets

The draft constitution contains both principles and tenets. The principles are contained in the preamble, and the tenets are contained in Article 1. The principles arose from the values that

the Cardano ecosystem has held from the beginning. The tenets arose to define limits to how Cardano Blockchain development can progress so that the ecosystem principles are not violated. Tenets are intended to provide more explicit guidance to the Constitutional Committee than principles. That is, governance actions are intended to be evaluated in accordance with the Tenets, but if circumstances exist where the Constitutional Committee believes that the Tenets do not provide sufficient or appropriate guidance, the Constitutional Committee may also consider the principles contained in the preamble when evaluating a proposed governance action.

There are several challenges when defining principles and tenets, which motivated the questions for this topic. Some challenges include:

- Keeping the principles and tenets brief.
  - The more we have, the easier it is to find inconsistencies between them. Inconsistencies make it difficult for the Constitutional Committee to make decisions, as they must weigh the value of one principle/tenet over another.
  - The more principles/tenets we have, the easier it is for one principle or tenet to be picked as an argument for any opinion.
- Ensuring completeness of tenets. If the tenets are intended to guide blockchain development, have we captured the most important safeguards to uphold our principles?
- Articulating the difference between a principle and a tenet, and how each should be used.

Community Questions

1. Do you believe the tenets in Article I, Section 1 appropriately reflect the ethos of the Cardano Blockchain?

☐ 1 - strongly disagree
☐ 2 - disagree
☐ 3 - neither agree nor disagree
☐ 4 - agree
☐ 5 - strongly agree
☐ Unsure

1a. Please provide your answer (1-5/Unsure) and rationale for Question 1.

☐ Enter text.

Why Question 1 is important: The tenets arose to define limits to how Cardano Blockchain development can progress so that the ecosystem principles are not violated. If the community feels that the tenets do not uphold the principles of the Cardano community, a tension between development work and the constitution could develop.

2. Should there be an additional tenet addressing financial sustainability of the Cardano Blockchain ecosystem? [Pertains to Art and Guardrails section 2.2 Economic Parameters.]

☐ Yes
☐ No
☐ Unsure

2a. Please provide your answer (Yes/No/Unsure) and rationale for Question 2. If you answered yes, consider if this new tenet should include an absolute cap on the circulating supply of ada.

☐ Enter text

Why Question 2 is important: This question stems from the importance of ada to the network's operation. Because it is so foundational, it may be worth codifying as a tenet, and may be done so in many different ways. The example on the cap to circulating ada is here because it has already been of interest to the community. We distinguish between the total ada supply and circulating ada, recognizing that in the future, there may be ada locked in places that take it out of circulation.

Voting Rights

After the Chang hard fork, owners of ada will be able to exercise voting rights on-chain. These voting rights apply to governance actions submitted on-chain. Ada owners can only exercise voting rights by having control over the ada and associated keys. In the ecosystem today, there are several situations where owners agree to reduce control over their ada in exchange for some benefit. Examples include:
- A service provided by a dApp or smart contract, such as a decentralized exchange or partnerchains
- Granting custodial control of ada to a designee, such as a centralized exchange
- Granting decision-making rights to a third party, such as an organization making legal agreements for a provider to manage their ada

In the past, there were no voting rights to consider when deciding to enter into the arrangements above. After the Chang hard fork, unless otherwise defined in the constitution, voting rights will be available to the user controlling the associated keys for voting.

Community Questions

3. Should the Constitution limit on-chain governance participation to only owners of ada or should ada owners be allowed to appoint designees who are then entitled to participate in on-chain governance? [Notes: This is not a reference to delegation to DReps. Pertains to: Article II Section 2, Article III Section 4 and 8, Article IV Section 2, Article VI Section 1, Article VII Section 1.]

The Constitution should:

☐ (a) Limit on-chain governance participation to only owners of ada
☐ (b) Allow ada owners to appoint designees who are then entitled to participate in on-chain governance
☐ (c) Unsure

3a. Please provide your answer (a/b/c) and rationale for Question 3.

Context:
(a) Limit on-chain governance participation to only owners of ada
(b) Allow ada owners to appoint designees who are then entitled to participate in on-chain governance
(c) Unsure

☐ Enter text

Why Question 3 is important: Allowing for appointed designees to control voting rights is a potential way to handle the new voting rights associated with ada. This would enable owners of ada to determine whether or not they want to authorize a designee, balancing the need to protect voting rights from unauthorized use by third parties, but also permitting it if ada owners would like.

Financial Sustainability of Cardano

After the Chang hard fork, there will be greater access to the Cardano Treasury because treasury withdrawals are on-chain governance actions. Both budgeting and withdrawals from the Cardano Treasury will be a community process. The Constitution mandates that no amounts can be withdrawn from the Cardano Treasury unless the withdrawal is being made in accordance with a budget for the Cardano Blockchain that has been previously approved by ada owners.

The Cardano Treasury is an internal source of funding for the ecosystem, potentially becoming a cornerstone of funding for the development activities of the Cardano Blockchain, among many other ecosystem activities. With a new mechanism to access the Cardano Treasury comes new governance processes. The stability of the Cardano ecosystem is impacted by the use of the Cardano Treasury to reward and support various actors. So, the following processes may merit further definition within the constitution:
● The process to agree on a Cardano Treasury Budget
● Cardano treasury management. At a minimum, treasury management will relate to the amount of the Cardano Treasury that is accessible during each budget cycle. It will also relate to oversight of the use of Cardano Treasury funds once withdrawn, ensuring the funds are used in accordance with the budget.

Community Questions

PRIORITIZED. NO RESPONSES FROM NORTH AND CENTRAL AMERICA, OCEANA 06. Contractual obligations governing the use of ada received from the Cardano Blockchain Treasury could be mandated to include dispute resolution provisions. Discuss your thoughts on if the Constitution should require these dispute resolution provisions. [Pertains to: Article 3, Section 8.]

Should the Constitution require these dispute resolution provisions?

☐ Yes
☐ No
☐ Unsure

PRIORITIZED 06a. Please provide your answer (Yes/No/Unsure) and rationale for Question 06.
☐ Enter text.

Why Question 6 is important: While on-chain approval to disburse funds from the Cardano Treasury is well defined, the process to oversee the use of funds is not. In a decentralized ecosystem like Cardano, there is little precedent for handling commercial disputes, and we may want to define some guidance in the Constitution. Keep in mind that dispute resolution provisions can still be included in contracts if not mandated in the Constitution, but may be deemed so important that it must be stated in the Constitution. Also keep in mind that even if the Constitution does mandate the use of dispute resolution provisions, there may be no way to actually enforce such a requirement.

PRIORITIZED. NEED RESPONSES FOR NORTH AND CENTRAL AMERICA 07. Discuss your thoughts on if the Constitution should mandate that budgets include, for example, a contingency fund, an indemnity fund and funds to cover administrative costs of the CC. [Pertains to: Article III Section 8, Article VI.]

Context: Periodic Cardano Blockchain Budgets will be developed and approved by the community. It is expected that the community will periodically approve budgets through on-chain governance actions. The Constitution specifies that no disbursements from the Cardano Treasury can be approved through on-chain governance actions unless at the time of the disbursement, a community-approved budget is then in place. However, the Constitution leaves to the community decisions as to what should actually be included in a budget, how detailed a budget should be and how budgets should be developed and approved. Given that this budget process is new and presently untested, it may be best to leave such questions to the community and allow the budget process to naturally develop and evolve over time. Alternatively, it may be desirable to mandate in the Constitution that certain requirements be included in community-approved budgets.

Should the Constitution mandate that the Cardano Blockchain Budget must include (select all that apply):

- ☐ (a) A contingency fund to cover unexpected costs not otherwise specified in the Cardano Budget. [Pertains to: Article III Section 8]
- ☐ (b) An indemnity fund to cover potential claims against governance participants such as DReps and Constitutional Committee members. [Pertains to: Article III Section 8]
- ☐ (c) Funds to cover administrative costs of the CC. [Pertains to: Article VI, Guardrails appendix: Governance Action Lifetime (GAL), Maximum Constitutional Committee Term (CMTL), The minimum size of the Constitutional Committee (CMS)]
- ☐ (d) None of these

PRIORITIZED 07a. Please provide your answer(s) (a/b/c/d) and rationale for Question 07. You may submit multiple responses. Please submit one response for each item you selected in Question 07. If you selected a (a) Contingency or (b) Indemnity fund: How would it work? Who could it be used for? Who would administer it? If you selected (d) None, consider if you agree with the need for funding, but disagree that it must be mandated within the Constitution.

Context:
(a) A contingency fund to cover unexpected costs not otherwise specified in the Cardano Budget
(b) An indemnity fund to cover potential claims against governance participants such as DReps and Constitutional Committee members
(c) Funds to cover administrative costs of the CC
(d) None of these

- ☐ Enter text

Why Question 07 is important: There are some aspects of the Cardano ecosystem that may be deemed to be so important that we want to guarantee fund availability by mandating the Cardano budget must account for it.

DEPRIORITIZED 8. The Cardano community is expected to propose, not less than on an annual basis, a budget for the ongoing maintenance and future development of the Cardano Blockchain. Discuss whether a detailed process for developing and approving the Cardano Budget should be specified in the Constitution. [Pertains to: Article III Section 8 and Guardrail 3]

Should the Constitution provide greater detail about the Cardano budgetary process?
- ☐ Yes
- ☐ No
- ☐ Unsure

DEPRIORITIZED 8a. Please provide your answer (Yes/No/Unsure) and rationale for Question 8. If you answered Yes, consider: Should the Constitution identify how the Cardano Budget will

be administered? Should the Constitution identify who will administer the Cardano Budget? Should the Constitution specify a cap on the annual Cardano Budget?

☐ Enter text.

Why Question 8 is important: Because the process of creating a single Cardano Budget will be new, it is uncertain how it will work, and what influences will be at play. As a result, some details may or may not be desirable to mandate to ensure the process keeps the needs of the ecosystem paramount.

DReps

Delegated representatives (DReps) are one of three governing bodies for on-chain governance. DReps provide owners of ada with the option to delegate their voting rights. When voting rights are delegated, a DRep votes on behalf of others. Fulfilling this role is expected to take time, requiring the monitoring of governance actions, expertise and research on topics up for vote, and communication with delegates. There has already been innovation around the form a DRep takes. The community is experimenting with script-based DReps, this includes native or plutus scripts (i.g. Multi-signature based DReps), as well as individual DReps. In addition, some people will register as a DRep to be able to cast votes directly, not for the purpose of representing others.

Delegates must trust their DRep to vote on their behalf, but can ultimately pick a different DRep if unsatisfied and redelegate. With CIP-1694's liquid democracy model, delegation can be moved away from a DRep at any time. Finally, any requirements placed on DReps are likely a tradeoff between governance ideals and overall DRep participation.

Community Questions

11. The draft constitution currently states: "DReps are expected to adopt codes of conduct from time to time governing their activities as DReps and make such codes of conduct publicly available." [Pertains to: Article III, Article IV.]

What should the constitution require related to DRep codes of conduct (select all that apply)?
☐ (a) DRep codes of conduct should be on-chain
☐ (b) One code of conduct for all DReps
☐ (c) Flexibility for each DRep to adopt its own code of conduct
☐ (d) The Constitutional Committee should determine whether DRep code(s) of conduct are consistent with the Constitution
☐ (e) Other guidelines for DRep codes of conduct
☐ (f) None of these

11a. Please provide your answer(s) (a/b/c/d/e/f) and rationale for Question 11. You may submit multiple responses. Please submit one response for each item you selected in Question 11.

Context:
(a) DRep codes of conduct should be on-chain
(b) One code of conduct for all DReps
(c) Flexibility for each DRep to adopt its own code of conduct
(d) The Constitutional Committee should determine whether DRep code(s) of conduct are consistent with the Constitution
(e) Other guidelines for DRep codes of conduct
(f) None of these

☐ Enter text.

Why Question 11 is important: DReps will act as a voice of ada owners and will be empowered to vote for ada owners who have put faith in the DReps they delegate to. Additionally, DReps are a new governing body for Cardano and we will learn much over the next few years as to how the DRep process works. Therefore, it may be important to address DRep conduct in the Constitution. On the other hand, da owners are free to delegate and un-delegate from DReps to signal their (dis)approval of a DRep at any time. Therefore, market forces may themselves be sufficient to govern DRep behavior.. This question addresses whether the Constitution itself should include specific behavioral standards applicable to DReps.

DEPRIORITIZED 12. The Constitution allows DReps to receive compensation for their services but does not otherwise provide any additional details. [Pertains to: Article IV and Guardrails Deposit for DReps (DRD) and DRep Activity Period (DRA).]

Should the Constitution specify more details about DRep compensation? Select all that apply.
   ☐ (a) The Constitution should specify how compensation is determined
   ☐ (b) The Constitution should include a cap on compensation
   ☐ (c) The Constitution should require that approved Cardano Blockchain Budgets include DRep compensation
   ☐ (d) The Constitution should require compensation to be the same for all DReps
   ☐ (e) The Constitution does not require additional details.
   ☐ (f) Other

DEPRIORITIZED 12a. Please provide your answer(s) (a/b/c/d/e/f) and rationale for Question 12. You may submit multiple responses. Please submit one response for each item you selected in Question 12.

Context:
(a) The Constitution should specify how compensation is determined
(b) The Constitution should include a cap on compensation

(c) The Constitution should require that approved Cardano Blockchain Budgets include DRep compensation
(d) The Constitution should require compensation to be the same for all DReps
(e) The Constitution does not require additional details.
(f) Other

☐ Enter text

PRIORITIZED. NEED RESPONSES FROM NORTH AND CENTRAL AMERICA, OCEANA 014. Should the Constitution include a mechanism that causes ada holders to re-select their DReps over time? [Pertains to: Article IV.]

☐ No
☐ Yes
☐ Unsure

014a. Please provide your answer (Yes/No/Unsure) and rationale for Question 014. If you answered Yes, please explain what you would add to the Constitution and why. For example, DRep delegation that expires or term limits.

☐ Enter text.

Why Question 014 is important: Ada holders are free to change delegation to any DRep at any time, or to never change their delegation. This question asks whether this model is expected to create conditions for a representative class of DReps over time, or if the Constitution should include additional constraints.

SPOs

Stake Pool Operators (SPOs), in addition to their existing role in operating the Cardano network, are one of three governing bodies for on-chain governance. Their role includes voting on highly technical governance actions and on governance actions designed to balance the power of the Constitutional Committee. The technical governance actions that SPOs vote on include hard-fork initiations and critical protocol parameter updates, as defined in the Cardano Blockchain Guardrails. The governance actions where their vote helps to balance the Constitutional Committee include a motion of no-confidence and updates to the Constitutional Committee.

SPOs are distinct from the DReps and Constitutional Committee because they are an existing role in the ecosystem. Ada is already delegated to them to secure the Cardano network. Now, their delegators may also need to consider whether they agree with how an SPO votes on governance actions when determining which SPO to delegate to. Overall, this is a new factor in the SPO/delegator relationship that may require additional governance.

DEPRIORITIZED 16. Given that SPOs will now have a constitutionally-mandated voting role on certain governance actions, should SPOs be subject to a Constitutionally-mandated code of

conduct (CoC)? Discuss your thoughts on SPOs being required to adopt a code of conduct and whether it merits inclusion in the Constitution. [Pertains to: Preamble Paragraphs 5-7, Article V, Guardrails: PARAM-03 and 04.]

What requirements, if any, should the Constitution specify for SPO codes of conduct (select all that apply)?

- ☐ (a) SPOs are expected to implement codes of conduct
- ☐ (b) SPO codes of conduct should be on-chain
- ☐ (c) The Constitutional Committee should determine whether SPO code(s) of conduct are consistent with the Constitution
- ☐ (d) Other guidelines for SPO codes of conduct
- ☐ (e) None

DEPRIORITIZED EXCEPT FOR THE AMERICAS, OCEANA, AFRICA. 16a. Please provide your answer(s) (a/b/c/d/e) and rationale for Question 16. You may submit multiple responses. Please submit one response for each item you selected in Question 16.

Context:
(a) SPOs are expected to implement codes of conduct
(b) SPO codes of conduct should be on-chain
(c) The Constitutional Committee should determine whether SPO code(s) of conduct are consistent with the Constitution
(d) Other guidelines for SPO codes of conduct
(e) None

- ☐ Enter text.

Why Question 16 is important: SPOs gain a new role of voting on-chain with CIP-1694. Ada owners are free to delegate and un-delegate from SPOs, but this was previously based on the network services provided by SPOs, not necessarily their decision-making. This question addresses whether SPOs should be held to additional behavioral standards in their new role.

Constitutional Committee (CC)

The Constitutional Committee is responsible for reviewing the constitutionality of all on-chain governance actions, except an update to the committee and the state of no confidence. CC members will be tasked with the challenge of interpreting the Cardano Constitution where there is no clear "right" answer. This may require consulting outside experts and in-depth deliberation among members to reach a decision. Additionally, CC members must generate and securely manage a set of credentials to identify themselves on-chain. Unlike the liquid democracy model of DReps and delegation scheme for SPOs, CC members are elected for a term and can only be replaced before the term ends by a vote of the DReps and SPOs.

The Interim CC election was held in June 2024. The voting process included an application for candidates to complete and a vetting process that was conducted by Intersect to ensure legitimate applications were progressed. The only application omitted was due to a claim of impersonation. The election had a mixture of organizations, groups of individuals, and individual candidates. Some candidates created a website to promote themselves, and Intersect hosted a public X space for candidates to answer questions. A stake-based, ranked-choice vote determined the winners. The Interim CC consists of 7 members, none of which are individuals, all serving a 73-epoch (~one year) term.

Community Questions

PRIORITIZED 17. The Constitutional Guardrails specify a minimum and maximum size for the CC and minimum and maximum term lengths but does not otherwise address details on the composition of the CC. [Pertains to: Article VI and Guardrails Maximum Constitutional Committee Term (CMTI) and The minimum size of the Constitutional Committee (CMS).]

Select additional provisions that the Constitution should include:

☐ (a) How the number of CC members are determined
☐ (b) A fixed number of CC members (consistent with the Guardrails)
☐ (c) How term lengths for CC members are determined
☐ (d) A fixed term length for the CC members (consistent with the Guardrails)
☐ (e) Other
☐ (f) None of these

PRIORITIZED 17a. Please provide your answer(s) (a/b/c/d/e/f) and rationale for Question 17. Consider: What size or term length do you have in mind? Should these values be fixed, relational, or determined by on-chain voting?

Context:
(a) How the number of CC members are determined
(b) A fixed number of CC members (consistent with the Guardrails)
(c) How term limits for CC members are determined
(d) A fixed term limit for the CC members (consistent with the Guardrails)
(e) Other
(f) None of these

☐ Enter text

Why Question 17 is important: The Constitutional Guardrails specify the minimum and maximum term limit (3mo-3yrs) and CC size (3-10 members). However, the draft constitution does not specify how terms and size are determined within the minimum and maximum limits. It may be desirable to clarify the CC size and term lengths so the community has clear direction when electing the CC following the expiry of Interim CC terms. Note, the use of term limits in the guardrails appendix refers to the length of each CC member's term, and not a restriction on re-elections.

18. We now have experience electing members to an interim CC but, going forward, the Constitution is silent as to the process for electing future members of the CC. The community may wish to experiment with different approaches to electing CC members. Alternatively, the community may wish to specify a specific set of criteria for those elections. [Pertains to: Article VI Section 3.]

Should the Constitution include additional details related to the election of CC members?
- ☐ Yes
- ☐ No
- ☐ Unsure

18a. Please provide your answer (Yes/No/Unsure) and rationale for Question 18.
- ☐ Enter text

Why Question 18 is important: The Constitutional Committee has a vital role in enforcing the constitution. If the process of electing the members becomes compromised, the constitution could be undermined by members who are non-serious, unqualified or intentionally hiding their identity and intentions. This question asks if there are some requirements that are clear and essential enough to enshrine now, or alternately if it should be open so the community can adjust more dynamically as they learn across election cycles.

PRIORITIZED 19.The Constitution expects the CC to adopt and operate pursuant to a code of conduct but is otherwise silent as to how a code of conduct should be adopted and who it should include. [Pertains to: Article VI Section 5.]

What requirements, if any, should the Constitution include for the Constitutional Committee's code of conduct? (select all that apply)
- ☐ (a) The CC code of conduct should be on-chain
- ☐ (b) The Cardano Community should have a role in approving the CC's code of conduct
- ☐ (c) Other guidelines for the CC code of conduct
- ☐ (d) None of these

PRIORITIZED. NEED RESPONSES FROM AFRICA. 19a. Please provide your answer(s) (a/b/c/d) and rationale for Question 19. You may submit multiple responses. Please submit one response for each item you selected in Question 19. Consider: How would any of the selected requirements be enforced?

Context:
(a) The CC code of conduct should be on-chain
(b) The Cardano Community should have a role in approving the CC's code of conduct
(c) Other guidelines for the CC code of conduct
(d) None of these

- ☐ Enter text

DEPRIORITIZED EXCEPT RESPONSES FROM AFRICA, EUROPE, ASIA, OCEANA. 20. Should the Constitution mandate compensation for CC members? [Pertains to Article VI Section 7.]

☐ Yes
☐ No
☐ Unsure

DEPRIORITIZED 20a. Please provide your answer (Yes/No/Unsure) and rationale for Question 20. If you answered yes, consider: Should the Constitution specify how compensation is determined? Should the Constitution include a cap on compensation? Should the Constitution require that approved Cardano budgets include CC member compensation? If the budget includes amounts to cover the administrative costs of the CC, should CC members also be entitled to compensation?

☐ Enter text

Separation of Powers

After the Chang hard fork, the governing bodies include the Delegated Representatives (DReps), Stake Pool Operators (SPOs) and the Constitutional Committee (CC). As laid out in CIP-1694, they have different roles to balance the powers of the governing bodies. At the protocol level, the separation of powers is not enforced, as there are no technical restrictions on becoming a DRep and an SPO and a CC member.

Community Questions

23. Currently, there is no rule against voting on the same governance action as a DRep and SPO. Discuss your thoughts on whether voting on the same governance action as a DRep and

SPO creates unique concerns that need to be addressed in the Constitution. [Pertains to: Article III Section 2, Article IV, Article V.]

What should the Constitution say, if anything, concerning ada owners voting on the same governance action as both a DRep and SPO?

☐ (a) Prohibit voting on the same governance action as a DRep and SPO.
☐ (b) Require disclosure but do not prohibit voting on the same governance action as a DRep and SPO.
☐ (c) Include special conflicts of interest provisions
☐ (d) Does not need to be addressed in the Constitution
☐ (e) Unsure

23a. Please provide your answer (a/b/c/d/e) and rationale for Question 23.

Context:
(a) Prohibit voting on the same governance action as a DRep and SPO.
(b) Require disclosure but do not prohibit voting on the same governance action as a DRep and SPO.
(c) Include special conflicts of interest provisions
(d) Does not need to be addressed in the Constitution
(e) Unsure

☐ Enter text

Why Question 23 is important: CIP-1694 separates out the voting roles of SPOs from DReps to create a balance of powers. Technically and socially, there is nothing in place that stops an SPO from voting as a DRep and vice versa, although they can easily lose delegation if ada owners are unhappy with their actions.