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Cardano Blockchain Ecosystem Constitution

Preamble

The Cardano Blockchain is a decentralized system of technology, smart contracts, and community-driven governance. It exists to improve economic, political, and social systems for everyone, everywhere. By providing a fair and secure foundation, Cardano allows people and communities to manage their identity, value, and decision-making while enabling the creation of decentralized applications, businesses, and network communities.

We, the Cardano Community, consist of individuals, organizations, and contributors. We follow the path of early internet and cryptocurrency pioneers who built communities using digital technologies. Guided by shared principles, we balance decentralized decision-making with accountability to maintain the security of the Cardano Blockchain.

This Constitution provides a framework for the Cardano Community to govern itself. It ensures the Blockchain's continuity and protects the rights of its users. We invite everyone who shares our values to join us but respect the choice of those who wish to pursue other paths.

Article I: Tenets and Guardrails of the Cardano Blockchain

Section 1: Tenets

The following tenets guide the Cardano Community and its governance. These principles should be used to evaluate governance actions:

1. Uninterrupted Transactions: Transactions must not be delayed or censored and should process quickly.
2. Fair Transaction Costs: Transaction costs should be predictable and reasonable.

3. Open Development: Developers should have fair access to build and deploy applications.
4. Fair Recognition: Community contributions should be rewarded fairly.
5. Consent for Value Locking: Ada owners' assets cannot be restricted without their permission.
6. Support for Interoperability: The Blockchain should work well with other systems.
7. Secure Storage: Stored value and information must be kept safe.
8. Efficient Use of Resources: The Blockchain must avoid wasting resources.
9. Equality for All Users: All users should be treated equally while ensuring the Blockchain's sustainability.
10. Financial Stability: The total supply of ada will not exceed 45 billion.

Section 2: Guardrails

The Blockchain will operate according to the rules in the Guardrails Appendix. In case of differences between written Guardrails and coded rules, the coded rules will take priority. The Constitutional Committee must resolve inconsistencies by promoting appropriate governance actions.

Article II: The Cardano Blockchain Community

Section 1: Membership

There is no formal membership requirement. Any ada owner, developer, or user of the Blockchain is part of the Cardano Community and benefits from this Constitution.

Section 2: Participation Rights

Ada owners can vote and take part in on-chain governance. They may also propose changes to improve the Blockchain.

Section 3: Responsibilities

Community members must uphold this Constitution, maintain the Blockchain, participate in governance, and resolve disputes fairly and openly.

Section 4: Collaboration

The Community is encouraged to work together to develop and maintain applications and form groups or organizations to support the Blockchain.

Article III: Participatory and Decentralized Governance

Section 1: Governance Model

The Blockchain is governed through a decentralized on-chain system that uses smart contracts for transparency and decision-making.

Section 2: Governance Bodies

Three groups contribute to governance:
1. Delegated Representatives (DReps): Represent ada owners in governance.
2. Stake Pool Operators (SPOs): Operate nodes and provide checks and balances.
3. Constitutional Committee (CC): Ensures governance actions follow this Constitution.

Section 3: Decision-Making

Governance decisions must meet specific voting thresholds defined in the Guardrails Appendix. All governance actions require on-chain voting.

Section 4: Voting Rights

Ada owners can vote directly or delegate their voting rights. Those holding ada through third parties may authorize those parties to vote on their behalf.

Section 5: "Info" Actions

These non-binding votes allow the Community to gauge sentiment without making changes. Outcomes are recorded on the Blockchain.

Section 6: Proposal Transparency

Governance proposals must include clear titles, abstracts, reasons, and supporting materials. Content must match on-chain and off-chain records exactly.

Section 7: Off-Chain Processes

The Community is expected to maintain off-chain forums for discussions about governance actions.

Section 8: Budgeting

The Community must propose an annual budget for Blockchain maintenance. No treasury funds can be withdrawn without an approved budget and oversight mechanisms.

Article IV: Delegated Representatives (DReps)

Section 1: Role

Ada owners can register as DReps to vote directly or have others delegate their votes to them.

Section 2: Liquid Democracy

Owners can change their DRep delegation anytime. DReps may represent individuals or groups.

Section 3: Conduct

DReps should adopt and publicly share codes of conduct, including ethical guidelines.

Section 4: Selection Tools

The Community should create tools for evaluating and selecting DReps based on publicly available information.

Section 5: Compensation

DReps may be compensated for their work but must disclose any payments received.

Article V: Stake Pool Operators (SPOs)

Section 1: Governance Role

SPOs vote on critical governance actions and oversee security-related decisions.

Section 2: Checks and Balances

SPOs provide oversight for the Constitutional Committee and vote on parameter updates affecting security.

Section 3: Conduct

SPOs are encouraged to develop and share ethical guidelines.

Section 4: Dual Roles

SPOs who also act as DReps must disclose both roles before voting.

Article VI: Constitutional Committee (CC)

Section 1: Purpose

The CC ensures governance actions comply with this Constitution.

Section 2: Composition

The CC is made up of members selected by ada owners. Members serve staggered terms to ensure continuity.

Section 3: Election Process

The Community will define and maintain an election process for CC members.

Section 4: Constitutional Review

The CC must determine the constitutionality of all governance actions before they are enacted. "Info" actions cannot be blocked by the CC but may be commented on.

Section 5: No-Confidence States

If the CC enters a "no-confidence" state, it must be replaced or reinstated before governance actions can proceed.

Section 6: Transparency

The CC must publish all decisions and provide reasoning when declaring a governance action unconstitutional.

Section 7: Support Tools

The Community must provide tools and resources for the CC to perform its duties.

Section 8: Compensation

CC members may be compensated, with funds allocated in the annual Blockchain budget.

Article VII: Amendments

Section 1: Living Document

This Constitution may be amended to reflect changes in technology or the Community's needs.

Section 2: Amendment Process

Amendments must be approved through on-chain governance with at least 67% of the active voting stake.

Section 3: Guardrail Amendments

Changes to Guardrails follow the thresholds defined in the Guardrails Appendix.