

[DRAFT4] Sovereign Finance Aligned Scope Proposals

This document represents our analysis and study of the current MakerDAO Scopes Artifacts. During the first quarter of the [Sovereign Finance AVC](#), we actively participated in subcommittee meetings, sharing our perspectives and receiving valuable feedback from MKR holders, Ecosystem Actors and Aligned Delegates.

The Aligned Scope Proposals document outlines a series of detailed and thoughtful modifications to the MakerDAO Scope with respect to the election of Advisory Council Members. These proposals are rooted in the principles and values that govern the Sovereign Finance AVC. Each proposed improvement is accompanied by an explanation of the underlying rationale.

This document presents Sovereign Finance proposal on the election of the Advisory Council Members, which contain the 5 Scope of MakerDAO's governance:

1. [MIP 104: Stability Scope](#)
2. [MIP 106: Support Scope](#)
3. [MIP 107: Protocol Scope](#)
4. [MIP 108: Accessibility Scope](#)
5. [MIP 113: Governance Scope](#)

Document Structure

The Aligned Scope Proposals document of Sovereign Finance AVC is organized as follows:

1. **Shared Proposals:** In this section, we share the proposals that apply identically to the five scopes regarding the election of Advisory Council members. Our objective is to simplify the reading and understanding of the recommendations while seeking to unify the criteria of the scopes for the selection of Advisory Council members.
2. **General Considerations for the Election of Advisory Council Members:** A framework that expands the understanding of the proposed changes in the Shared Proposals and provides general considerations regarding the election of Advisory Council Members.
3. **Specifications on Desired Skills for Advisory Council Members in Each Scope:** A comprehensive breakdown of the specific skills that MakerDAO Governance should consider when selecting Advisory Council Members.
4. **Other Proposals:** Here, we include other proposals that we have been working on in these initial months as AVC. These proposals are included in this section because they are unrelated to the election of Advisory Council members.

Shared Proposals

In this section, we propose the modification of component 1 of every Scope. This proposal is identical to the 5 Scopes.

Terminology

- **Current Scope Component:** These are components of the Scope that are taken exactly as they are currently written.
- **Modify:** Proposed modification to the Scope component, while maintaining the component number.
- **Add:** Add a new component with a new component number.
- **Rationale:** The reasoning behind our proposal.
- **(XXXX):** It represents any of the 5 Scopes. It applies equally to Stability, Support, Protocol, Accessibility & Governance.
- **(X):** Suggested numbers.

1.1.1: (XXXX) Advisory Council membership management

Component 1.1.1.1

- **Current Scope Component:**
 - **1.1.1.1:** The Governance Facilitators must ensure that potential Advisory Council Members can apply to be approved by Maker Governance, using an open process with clear instructions.
- **Modify:**
 - **1.1.1.1:** The Governance Facilitators must ensure that potential Advisory Council Members can apply to be approved by Maker Governance, using an open process with clear instructions as per 1.1.1.3.
- **Rationale:**
 - We believe that the process should have defined rules.

Component 1.1.1.2

- **Current Scope Component:**
 - **1.1.1.2:** Advisory Council Members must be Ecosystem Actors that are not involved in any business activity that could result in a conflict of interest, either directly or indirectly. They must also have relevant skills for providing professional expert input on the content that the (XXXX) Scope is covering.
- **Modify:**
 - **1.1.1.2:** Advisory Council Members must be Ecosystem Actors that are not involved in any business, political, or other governance-related activity that could result in a conflict of interest, either directly or indirectly. They must also have relevant skills for providing professional expert input on the content that the (XXXX) Scope is covering.
- **Rationale:**
 - Advisory Council Members are advisors who are involved in improving the content of all Scope Artifacts. We believe that this role is extremely important,

which is why we consider expanding the conflicts of interest definition.
Advisory Council Members should strive to be as neutral as possible.

Component 1.1.1.3

- **Current Scope Component:**

- **1.1.1.3:** The (XXXX) Facilitators must periodically, when it is relevant, review the Advisory Council Applications, and if they find applications that are suitable, bring them to a vote through an MKR governance poll. Approved Advisory Council Members are added to (X).

- **Modify & Add:**

- **1.1.1.3:** The (XXXX) Facilitators must periodically review the Advisory Council Applications, and if they find applications that are suitable, bring them to a vote through an MKR governance poll. When Advisory Council Applications are posted on the Maker Forum, which must follow the template as per 1.1.5.4.1A, the (XXXX) Facilitators have a review period of 30 days. During this period the MakerDAO Community must provide feedback. The applicant must respond to all questions and inquiries.
- **1.1.1.3.1:** The (XXXX) Facilitators can extend this deadline, if necessary, by 15 days, provided they posted the justification in the Maker Forum.
- **1.1.1.3.2:** Once the review period is ended, the (XXXX) Facilitators must publish the response to the application on the Forum, along with a description of the reasoning behind the decision. If approved, the application will continue with the Governance Process as per **1.1.1.3**.
- **1.1.1.3.3:** Approved Advisory Council members have a term of service of 18 months from the time they are approved by Maker Governance. If desired, the Advisory Council Member can submit a new application for re-election in the last month of its designated period. The re-election application must also fulfill **1.1.1.5** requirements and will open a new review period of 30 days where the Maker Community can provide feedback. The applicant should respond to all questions and queries. If approved, the re-election application will continue with the Governance Process as per **1.1.1.3**.

- **Rationale:**

- We consider establishing a specific timeframe for reviewing Advisory Council candidatures to prevent potential cases of "archiving" or "delaying" a candidature. These situations can occur if a Facilitator has malicious intent or fails to fulfill their duties.
- Also, we suggest implementing a fair and predictable election and re-election process, enabling everyone to anticipate the actions they need to take while ensuring broad participation from the MakerDAO community.
- We consider that 18 months of service is the correct month to hire an Advisory Council. This allows us to retain Advisory Councils specialized in areas such as development, security, law, etc. for a longer period of time.
- We consider the 30 day window for application review to be correct. We should make sure that the time between voting and approval should be reasonable so that the Advisory Councils feel comfortable with MakerDAO.

1.1.2: (XXX) Advisory Council Projects and Funding

Component 1.1.2.3

- **Current Scope Component:**
 - **1.1.3.3:** The Advisory Council can in some cases (may) produce work output that is not directly compatible with the formatting of Scope Artifacts. In this case the Support Facilitators must either transcribe it themselves, or hire an Ecosystem Actor to perform the transcription. This role does not require pre approval by Maker Governance.
- **Modify & Add:**
 - **1.1.3.3:** The Advisory Council can in some cases produce work output that is not directly compatible with the formatting of Scope Artifacts. In this case, the Support Facilitators should transcribe them themselves or help the Advisory Council choose the most appropriate format for their deliverables.
 - **1.1.3.3.1** As per ATL 2.8.1 The Advisory Council is a technical expert in the field in which it is hired to perform a job. Despite being desired, it won't necessarily understand how Scopes and ATLAS format is. That's why they can request facilitator support on the format for their work output.
 - **1.1.3.3.2** When the Advisory Council considers they will need Support Facilitators assist in formatting their output, they must disclose it in their Advisory Council submission post in Maker forum.
- **Rationale:**
 - The Advisory Council is an expert (usually technical), may not know how to write a scope and may need support from the facilitator to do so. We believe it is important to take care of the economics of MakerDAO, we do not consider that an Ecosystem Actor should be hired to perform scope transcription.

Component 1.1.5

- **Add:**
 - **1.1.5:** (XXXX) Advisory Council Recognition.
 - **1.1.5.1:** In order to be eligible for the (XXXX) Advisory Council as per **1.1.1.3**, an Ecosystem Actor must post a recognition submission message publicly on the Maker Governance Forum.
 - **1.1.5.2:** The submission message must be cryptographically signed by the Ecosystem Actor address.
 - **1.1.5.3:** The cryptographically signed (XXXX) Advisory Council Recognition Submission Messages must contain the information specified in **1.1.1.5.1** and **1.1.1.5.2**.
 - **1.1.5.3.1:** The following text must be included: "[Name] (XXXX) Advisory Council Recognition"
 - **1.1.5.3.2:** A timestamp recording the time and date that the message was signed.
 - **1.1.5.4:** The submission message must follow the template **1.1.5.4.1A:**
 - **1.1.5.4.1A:** Title: **[Name]:(XXXX) Advisory Council Recognition Submission**
 - Ecosystem Actor Ethereum address

- Cryptographically signed Advisory Council Recognition Submission Message
- Applicant's details
- **Applicant's name:** *[Company, team, or individual]*
 - Twitter:
 - Website:
 - Email:
 - Maker Forum:
 - Telegram:
 - LinkedIn:
 - Discord
 - Github
 - Other (optional):
- **Presentation:** *[introduction]*
- **Ethos and vision:**
- **Team:** *[Founders and team members. Brief description of their skills and backgrounds]*
- **Services:** *[What is your company specialized in? What kind of services do you offer?]*
- **Customer portfolio:** *[Who are your clients, what projects have you done and can you show the results of any of them?]*
- **Explain how your skills will contribute to improving the selected Scope:** *[How will you contribute to improving the selected Domain? of examples, be specific].*
- **Payment of the service:** *[Indicate the average fee you charge per hour of work. Detail as much as possible]*
 - Man hours
 - Overtime hours
 - Hours of overtime (emergency)
- **Rationale:**
 - As suggested in component **1.1.1.1** the “XXXX” Facilitators must ensure that potential Advisory Council Members can apply to be approved by Maker Governance, using an open process with clear instructions. **1.1.5** incorporates clear instructions and a template for the Advisory Council Member application.

MIP 106 Structural Corrections

We have noticed that the numbering of the components in **MIP106: Support Scope Bounded Mutable Alignment Artifact** is different from the other 4 Scopes. We propose the following update to the structure to ensure that the above suggestions have the same effect in all Scopes.

Component 1.1

- **Current structure:**
 - **1.1:** The Support Advisory Council
 - **1.1.1:** The Support Advisory Council Definition

- **1.1.2:** Support Advisory Council Membership Management
- **1.1.3:** Support Advisory Council projects and funding
- **Proposed structure:**
 - **1.1:** The Support Advisory Council
 - **1.1.1:** Governance Advisory Council membership management
 - **1.1.2:** Support Advisory Council projects and funding
 - **1.1.3:** “...” (former 1.1.3.4)
 - **1.1.4:** “...”(former 1.1.3.5)
 - **1.1.5:** Support Advisory Council Member Recognition (as proposed in Shared Proposals)
- **Rationale:**
 - The proposed Scope Structure for Component 1 is aligned with MIPS 104,107,108 & 113. In this way, all scopes will share the same structure for Component 1.

General Considerations for the Election of Advisory Council Members

This framework, combined with the aforementioned proposals, aims to improve the Advisory Council member selection process by providing clear guidelines.

It is essential to recognize the critical role that Advisory Council Members perform in Maker Governance. Therefore, it is of utmost importance to select the most capable and qualified people in the ecosystem. As a result, we can avoid frequent turnover among Advisory Council Members as a result of ambiguous rules within the DAO or insufficient competence within the Advisory Council due to deficient selection processes.

General Characteristics of Advisory Council Members

- Advisory Council Members can be individuals, groups of people, legal entities, or companies.
- The Facilitators should ensure cultural and time zone diversity among the Advisory Council Members. This is beneficial as it allows for 24/7 availability of the AC.
- Facilitators arrange the service contract with the Advisory Council, which should be made public.
- Any additional work that has produced measurable value and is specified in the service contract should be compensated.
- During times of emergency or market instability, Advisory Council members should be available at all times.
- Advisory Council members should be aligned with the long-term goals of MakerDAO Endgame.
- Advisory Council members have a period of 18 months.

Number of Advisory Council members:

- The Facilitators in each Scope can determine the number of Advisory Council Members needed to cover the corresponding needs.
- The number of members per Scope may vary depending on the needs of the facilitators.
- The available budget must also be approved before the selection process begins. This is important as it may determine the number of CA members for a scope.

Criteria for selection of Advisory Council members:

- Must be a former specialist in your area or in the area you have selected to be an Advisory Council.
- Must be aligned to MakerDAO and its long-term objectives.
- You must have posted your application in the forum by filling out template **1.1.5.41A**.
- If necessary, MakerDAO requests emergency service for several days in a row. The Advisory Council must have the necessary resources to meet these needs.

Selection process for Advisory Council Members:

- The process must be transparent and public
- Applicants must follow the process specified in component 1.1.1 of each Scope.
- The applicant shall answer as many questions and doubts as possible from the members of the MakerDAO Community during the feedback period.
- Every 18 months the advisory councils can be reelected if they so wish
- Facilitators should ensure that the flow of re-election and election does not become an overload for Maker Governance members.
- If deemed necessary, the Facilitators may submit the Advisory Council Applications to a vote by MKR governance poll, prior to the end of the 30 day review period.

Specifics on desired skills for Advisory Council Members of each Scope

This section includes the specifics on skills/characteristics required for Advisory Council Members.

MIP 104 Stability Scope

Members of the Governance Protocol Scope should be experts in the following areas:

1. Capital markets, bonds, and equities.
2. Market analyst and economist.
3. Tokenomics and smart contracts.
4. Fund management and risk profiles.

It is important to have individuals with deep knowledge and experience in these areas to ensure effective governance and decision-making within the protocol.

MIP 106 Support Scope

The Support Scope is the broadest and most diverse of all the scopes as it encompasses all governance topics. In this particular case, we suggest hiring versatile individuals with multiple knowledge and skills, who enjoy challenges (even though Maker itself is one), are solution-oriented, and can quickly adapt to changes.

Desired competencies for members of the Support Advisory Council:

Governance Process Support - SUP2

1. Demonstrable experience of at least 1 year working or actively participating in governance.
2. Experience in game theory and consensus.
3. Experience in human resources management.

DAO Toolkit core development - SUP3

1. Demonstrable experience in system infrastructure and database management.
2. Experience in a range of programming languages such as Python, Java, JavaScript, C++, Solidity.
3. Data science senior

Core Artificial Intelligence System (CAIS) - SUP4

1. Data science specialist.
2. Expertise in LLM with extensive knowledge.
3. Specialists with strong knowledge of system infrastructure, server management, and DevOps.
4. Expert in cybersecurity, network security, and server security (preferably a white hat hacker).

Budgets, Milestones, and Results Reporting Standardization - SUP5

1. Experience in data analysis.
2. Knowledge of accounting or economics.
3. Business manager.
4. Research on-chain

SubDAO Incubation - SUP6

1. BizDev experience.
2. Experience in growth strategies.
3. Startup or similar managerial experience.
4. Entrepreneurial vision.
5. Financial expertise.

Ecosystem Actor Incubation - SUP7

1. BizDev experience.
2. Business development and contract expertise.
3. Expert auditor of companies.
4. Experience as a commercial manager.

SUP8 - Ecosystem Communication Channels

1. An active and trusted member of the MakerDAO community.
2. Communication skills and community management experience.

3. Enthusiastic participant.

Ecosystem Agreements - SUP9

1. Contract law expertise.
2. Regulatory specialist.
3. Corporate lawyer with experience in large corporations.

Resilience Fund - SUP10

1. Suggesting 2-3 reputable law firms.
2. Resilience research and preparedness expertise.

Purpose System

1. Treasury management skills.
2. Researchers.
3. Experience in non-profit foundations.
4. Environmentalist.

Please note that some of the competencies listed may overlap with different scopes, and the specific requirements for each role may vary.

MIP 107 Protocol Scope

Members of the Governance Protocol Scope should be experts in the following areas:

1. Solidity Developer with proven experience in developing DeFi protocols and smart contracts.
2. Software Architect with proven experience in web3 and DeFi.
3. DevOps Engineer with proven experience in node/client development.
4. Ethereum Scalability Specialist with expertise in Layer 2 solutions.
5. Bridges and Cross-Chain Technology Architect with expertise in building and integrating cross-chain solutions.
6. Zero-Knowledge, Snark, and Stark Specialist with knowledge of advanced cryptographic techniques.
7. Oracle Specialist with expertise in integrating and securing external data sources.

We suggest searching for specialized development teams for each area rather than hiring a single individual.

MIP 108 Accessibility Scope

For the Accessibility Scope, it is desirable to have members who specialize in the following areas:

1. Marketing expertise with a focus on web3 communities, governance, and growth.
2. Growth specialists who can devise strategies to expand the user base and increase adoption.
3. Community managers with experience in managing and engaging web3 communities.
4. UX/UI designers who can create user-friendly and visually appealing interfaces.

5. Having professionals with experience in these fields will greatly contribute to effective marketing, growth, community management, and user experience within the project.

MIP 113 Governance Scope

The Governance Scope Advisory Council is crucial in this stage of changes that Maker Governance is going through. We believe that this council should be composed of highly skilled individuals who can quickly adapt to constant changes. First, they should have deep knowledge of the EndGame and be aligned with the Atlas and scope artifacts. Second, they should have at least 2 years of experience working in another relevant governance role, such as being part of a core team, a council, or managing treasury, and should also possess competent communication skills. Some desired professionals could be philosophers, lawyers, or historians with strong reading comprehension and writing skills.

Desired competencies for members of the Governance Advisory Council:

1. Deep understanding of MakerDAO, both at the protocol and governance level.
2. At least 1 year of experience working in relevant governance roles.
3. Specializations in any of the following fields: political science, international trade, law, psychology, business administration, philosophy, and any other science that can benefit governance.
4. Experience in people and resource management. Leadership skills and ability to handle pressure.
5. Strong reading comprehension, excellent writing skills, and the ability to interpret whitepapers or large documents.
6. Data analysis and interpretation skills.
7. Deep understanding of consensus systems and game theory.
8. We suggest having a programmer with skills in Solidity, Python, JavaScript, SQL, and database management within the Advisory Council. It is not necessary for the programmer to be a senior-level professional.

Other Proposals

We acknowledge the guidelines outlined in [MIP 113.12.4](#), which emphasize the importance of the AVC's role in the bootstrapping phase by creating Aligned Scope Proposals to enhance the Scope Improvement Articles related to the Advisory Council. With this in mind, our AVC has dedicated significant effort to thoroughly understand and analyze the scopes from a comprehensive and holistic perspective. Despite being aware that these proposals may not be immediately implemented, we have chosen to present them for future consideration, focusing on other aspects of the Scopes.

MIP 106 Support Scope

Component 2.1.1

- **Current Scope Component:**
 - **2.1.1:** The Support Facilitators must balance and prioritize the resource allocated to AVC support. If resource constrained, the Responsible Facilitators must prioritize resources to focus on providing support to the AVCs that are most valuable to governance security. Governance security value is primarily determined by the size of the AVC, but also by the focus of the AVC - this means that smaller AVCs that introduce significant diversification benefits and increase voter choice must be prioritized above their size.
- **Add:**
 - **2.1.1.1:** The size of the AVC is determined by the verified MKR holding of its members. Resources for the 5 biggest active AVCs should be distributed equally. If there are more than 5 active AVCs, starting from the 6th one the resources allocation criteria should take into account the focus of AVC as per **2.1.1**.
 - **2.1.1.2:** Quarterly, when there are more than 5 active AVCs, the Support Facilitators must post a message on the Maker Forum where they detail the criteria used to prioritize AVCs resource allocation.
- **Rationale:**
 - We consider it positive for Facilitators to have some discretion, as long as they follow specific criteria when making decisions regarding resource allocation. However, we are also aware that this discretion can lead to unwanted centralization. Therefore, we propose establishing a minimum equitable approach for the five largest AVCs, thus ensuring equal treatment.

Component 2.4.2

- **Current Scope Component:**
 - **2.4.2: Designation of Governance Process Support Ecosystem Actors**
The Support Facilitators can publicly designate Ecosystem Actors, including individuals, companies or Forum or Chat pseudonyms, as Governance Process Support Ecosystem Actors. This is done alongside giving them moderation rights and other forms of administration rights on the relevant communication channels. Governance Process Support Ecosystem Actors

can make edits and process updates according to the various Governance Process rules, and can interact with the MIP process as defined in [MIP0](#). For the purposes of MIPs or other Governance related documents, anything that applies to MIP Editors also applies to Governance Process Support Ecosystem Actors, as they replace the MIP Editor role.

- **Modify & Add:**

- **2.4.2: Designation of Governance Process Support Ecosystem Actors**
- **2.4.2.1:** The Support Facilitators can publicly designate, with a forum post in Maker forum, Ecosystem Actors, including individuals, companies or forum or chat pseudonyms, as ecosystem actors supporting the governance process. This is done in conjunction with granting them moderation rights and other forms of administration rights in the relevant communication channels.
- **2.4.2.2:** Governance Process Support Ecosystem Actors can make edits and process updates according to the various Governance Process rules, and can interact with the MIP process as defined in [MIP0](#). For the purposes of MIPs or other Governance related documents, anything that applies to MIP Editors also applies to Governance Process Support Ecosystem Actors, as they replace the MIP Editor role.

- **Rationale:**

- We consider it essential for the authorities of the facilitators to be communicated publicly in the governance forum in order to maintain a transparent process. Furthermore, we have decided to divide component 2.4.2 into two parts: 2.4.2.1 and 2.4.2.2, with the aim of facilitating a clearer understanding and distinguishing between the responsibilities of channel moderation and MIP editing. This structure will allow for improved readability and greater differentiation of tasks.

MIP 107 Protocolo Scope

Component 2.1

- **We are working on a modification of Component 1.2. Some of our reflections:**
 - **1.** Smart Contract Explorer: Interactive interface for exploring smart contracts within the Maker Ecosystem, providing contract details and transaction histories.
 - **2.** Security Audits and Reports: A module displaying audit results for smart contracts, including the auditing entity and the findings.
 - **3.** Monitoring, analysis and visualization: tools that allow visualization and understanding of key parameters of the protocol and governance. As well as the Maker Ecosystem in general - There are currently several measurement tools available and we are studying them.-
 - **4.** Executive Proposal Spell Checker: A validation tool for executive proposals, providing an overview of the proposal's smart contract "spell", highlighting potential issues, and enhancing transparency and voting confidence.