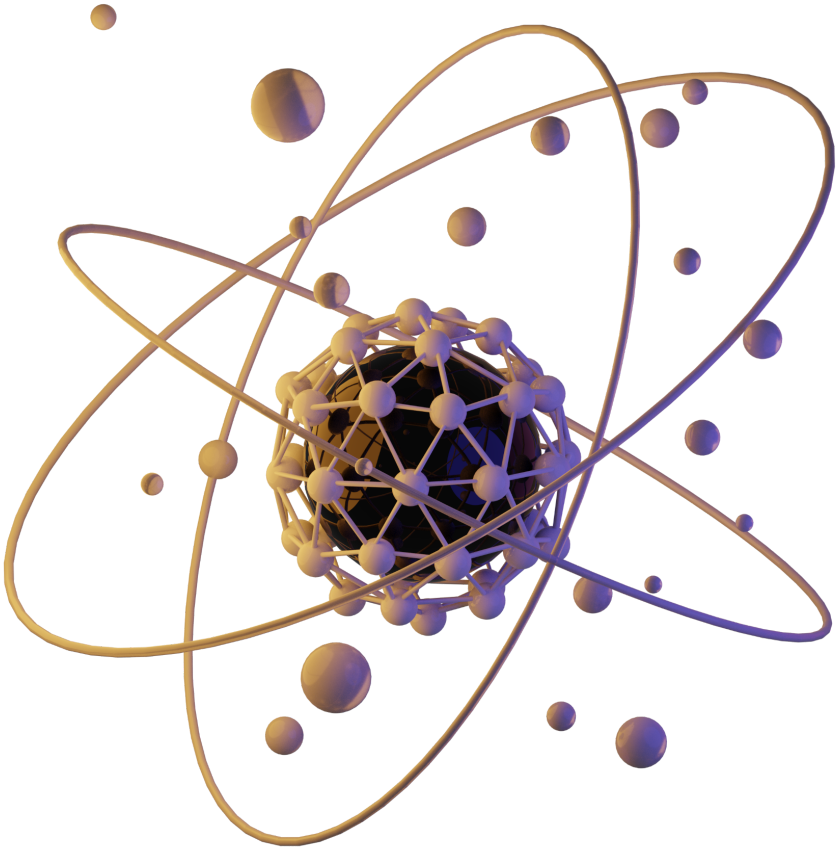
SingComDAO

Initiation Document

SingularityNET Decentralization Series



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17 April, 2023

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SingComDAO (Singularity Community DAO) or 'SCDAO' is set out to be the decentralized arm of the SingularityNET Foundation.

By SCDAO, SingularityNET aims to gain experience in decentralized governance processes, with the ultimate goal of rolling this governance structure out over the whole of SingularityNET - fulfilling its promise of becoming a fully decentralized body that helps to navigate humanity towards beneficial Artificial General Intelligence.

Goals

SCDAO aspires to become the visionary and authoritative governing body of the SingularityNET Foundation, spearheading the path toward a decentralized future. As outlined in the white paper 2.0 of SingularityNET:

"In the early phases of network development, the Foundation will make some of the governance decisions. Decision-making will transition in phases to purely democratic governance(...)"

As a first step, SCDAO will be governed directly and/or indirectly by the community of token holders. The long(er)-term goal for SCDAO is to roll out governance structures with proven success over the entire SingularityNET Foundation.

The endgame is to create an inclusive, robust, and democratic Foundation that is immune to political influences and power struggles, paving the way for a brighter and more equitable future.

This is not necessarily a natural or obvious outcome of a decentralization process. The mechanisms required for long-lasting decentralized robust operation have not yet reached full maturity in the DAOspace. Therefore, the process of exploring, testing, and refining these mechanisms will be an ongoing and important task of SCDAO.

An evolving approach

The path to a fully decentralized Foundation has undergone some change, adapting to the current realities of the crypto ecosystem and the learnings we have gathered along the way.

Instead of horizontally increasing the community's authority over all departments and activities of SingularityNET Foundation year by year (*as outlined in the white paper 2.0*), we intend that SCDAO creates governance structures around a smaller subsection of the organization and gradually expand both the scope and the level of the DAO's authority.

We changed our approach to these first steps because the governance processes developed for Decentralized Autonomous Organizations have not reached the level of maturity we anticipated when writing the SingularityNET white paper 2.0.

Nevertheless, while the approach and timelines have changed, our ultimate goal remains the same: the creation of a fully decentralized organization governed in an effective, stable, fair, and transparent way. SingularityNET's dedication to reaching this goal is unwavering.

A living organization

Just as we have gained new experiences and new insights over the past years, we expect and hope that this process of perpetual learning will continue in the future.

This means a document like this one is time-bound and liable to change according to new insights and future decisions. In fact, an important guideline for any decentralized structure is to define it in such a way that future generations will be able to make changes within appropriate and predefined limits.

Governance mechanisms to explore

With the knowledge of today, we expect that different governance structures will be explored, as well as the proper ways to combine and balance the dynamics of these structures. These can be (combinations of) mechanisms like reputation-based voting weights, Liquid democracy, and representative democracy.

But variations of these methods or completely different mechanisms will surface over the coming years. As a living organization, SCDAO will explore, test, and improve these mechanisms, and develop or stimulate the development of processes and tooling to support them.

Fundamental governance principles

While many aspects are open to exploration and evolution, we see these principles as fundamental:

- Transparency, fairness, and reliability should be the bedrock of SCDAO's governance processes and tools.

- This means that SCDAO must be prepared and able to explain the rules, calculations, and outcomes of governance events.

- The processes should support the mission of SingularityNET to bring about a technical singularity that is, by its nature, beneficial to everyone.
  This implies that the processes should be aligned with technological and ethical progress rather than be optimized for increasing the token exchange price or the advancement of individuals or small groups.

- SCDAO's defined processes should resist irreversible decisions or implementations and allow for flexibility and adaptability. While more impactful changes may require higher thresholds, as a guiding principle all rules should be reversible if a large enough majority supports the change. This means that these processes should take a range of scenarios into account, such as loss of tokens or structurally low participation rates.

Other fundamental principles like these may develop over time, and SCDAO will create and update a document with these guiding principles that define parameters for new processes and rules. Changes to such a document may, in the future, be subject to a voting procedure.

Setting up SCDAO - a starting point.

Just as the governance mechanisms are liable to change over time, so is the scope of the responsibilities of SCDAO. As outlined above, we aim for SCDAO to increase its scope over time and become the governing body of the entire Foundation. We cannot predict the exact order and speed in which this process will unfold. We can, however, describe the starting situation of this journey, including the scope of responsibilities and the initial governance structure.

Participating units

At its conception, SCDAO will include the activities of the **Supervisory Council** and be responsible for the functioning of SingularityNET's **Deep Funding Program** and the **Ambassador Program**.

The road to SCDAO

There is a contradiction in trying to establish a fundamentally decentralized organization using largely centralized procedures. Therefore, setting up the governance structures for SCDAO

should ideally be done by the SCDAO - that is, a functioning body that is a good representation of the community of intrinsically engaged token holders.

To address this challenge, we are establishing a temporary organization called the 'Seed-SCDAO', which will work closely with the community to develop a blueprint for the new SCDAO organization. This blueprint should include the initial governance framework as well as any legal and financial structures required or desired.

While the Seed-SCDAO can start with a number of operational tasks, their main goal will be to set up the new, fully functional first iteration of SCDAO. We expect this process to be completed within 3-6 months after the conception of the Seed-SCDAO. (But this is subject to developing insights)

This white paper aims to offer clarity on both the Seed-SCDAO and the new SCDAO - with the caveat that the form and structure of the new SCDAO are subject to the decisions taken by the Seed-SCDAO, so any description in this document cannot be final.

Note: We refer to the next iteration of SCDAO as 'the new SCDAO', and not 'the final SCDAO' or similar since, in our vision, SCDAO is a living organization that can reinvent itself over time.

Seed-SCDAO

The first governing entity of SCDAO will consist of the representatives of the participating entities and a representative of the SingularityNET Foundation:

- The three members of the (newly elected*) Supervisory Council
- The representative of Deep Funding
- The representative of the Ambassador program
- Member(s) of the SingularityNET Foundation

In cases where the members of this entity cannot reach an agreement, the CEO of SingularityNET Foundation will have the decisive vote.
** Please find more information on the new Supervisory Council election further below*

Initial finance and tokenomics

Together the three main participating entities represent 31.5% of the newly minted AGIX on Cardano, as per the SingularityNET Phase Two plan. While the 1.5% allocated to the Supervisory Council is well aligned with the goals of SCDAO, the 30% that is allocated to Deep

Funding has the clearly defined goal of supporting the growth of the decentralized AI platform by funding developers to create or utilize services on the platform. Changing this allocation will not be within the jurisdiction of the Seed-SCDAO.

However, the Supervisory Council might already be consulted on costs associated with overhead, such as licenses and tooling, and decide in which instances a community vote would be warranted. This process can be detailed further going forward to the new SCDAO.

While the vote on the Loyalty pool is just behind us, it stands to reason that the new SCDAO would also be in charge of future community consultations on the application of this allocation. This amounts to a further 5% of the newly minted tokens, increasing the total percentage under the supervision of the SCDAO to 36.5% (of newly minted AGIX on Cardano).

Overarching goals and responsibilities of SCDAO

- Involve and engage with the community on all topics related to SingularityNET Foundation and its mission towards a technical singularity that is beneficial to all.

- Foster a culture of inclusivity, diversity, and respect within the community, so people can work together to address any issues or concerns that may arise.

- Organize ideation and voting events on important topics that are within the authority of SCDAO.

- Continuously improve the governance processes and tools, ensuring that the decisions and direction of the DAO are a good representation of the desire of all well-informed and positively engaged community members.

- Take responsibility for (and ownership of) the treasury that is endowed to SCDAO.

- Continuously develop and keep updated a follow-up document to (relevant parts of) the Phase 2 proposal and this white paper for topics that fall within the authority of SCDAO and that define the current state of the DAO, including all decisions taken and supported by the community.

Specific goals of the Seed-SCDAO - outlining SCDAO

The main short-term goal of the Seed-SCDAO is to define the governance structure and boundaries of the new SCDAO. This will involve the following topics (but need not be limited to them):

- Define the governance framework of SCDAO, including:
    - The responsibilities of and relations between the entities involved
    - Decision-making processes
    - Types of governance (voting) events
    - Frequency or triggers for these events
    - Community-initiated governance events (e.g., a referendum to vote on a topic brought forward by the community)
    - Internal communication structure and required meetings
    - Documentation and reporting of decisions
- Legal structure and implications of this structure for all stakeholders
- Financial governance structure, including:
    - Payment approval and execution
    - Financial administration requirements
    - Time endowment and remuneration of the participants
- Community relations framework
    - 'Official' communications around decisions, community events, and so on
    - General information and communication guidelines (who / what / when / how)
    - Community-initiated contact, including complaints and concerns

Not all of these items can be expected to be 'fully completed' when the new SCDAO starts, and we expect all of these things to keep evolving continuously until fully matured (if ever). But the Seed-SCDAO can define outlines and expectations and create a framework that can be further filled in by the first generation of the new SCDAO.

In fact, one responsibility of the Seed-SCDAO will be to determine what must be defined prior to the founding of the new SCDAO and which tasks can be further detailed by the new SCDAO. The Seed-SCDAO will have to balance the need for a well-defined structure and processes before SCDAO takes off, against the need to get up and running as fast as possible.

The responsibilities of the newly elected Supervisory Council

Based on the rules stated in the Phase 2 Proposal, a new election for the Supervisory Council should be held every 2 years. However, in order to have a meaningful election, we need to have a proper view of how the Supervisory Council will fit into the new structures we are creating and what their future responsibilities will be. Hence another Catch-22.

For this reason, we decided to postpone the election until we have a better view of this coming structure and integrate the election procedure with the launch of the Seed-SCDAO.

This initiation document represents the view of the SingularityNET Foundation on the future SCDAO and will be part of the input that the candidates for the Supervisory Council can use to determine their position, communicate their added value, and share their personal goals with the community.

Other input will be collected by engaging with the community to better understand their needs and desires. More details about this process and the following election will be shared with the community on familiar channels.

Transitioning from Seed-SCDAO to new SCDAO

To ensure the buy-in of the community, the SeedSCDAO will document and publish their defined framework for SCDAO in a SCDAO white paper 1.0.

This white paper will be discussed with the community, and a final version will be offered to the community for approval through a voting event.

- In case the document is approved, it will replace this document as the official guideline for SCDAO.

- In case the document is not approved, SCDAO will further engage with the community and adapt the document where needed until it is deemed ready for a new voting event.

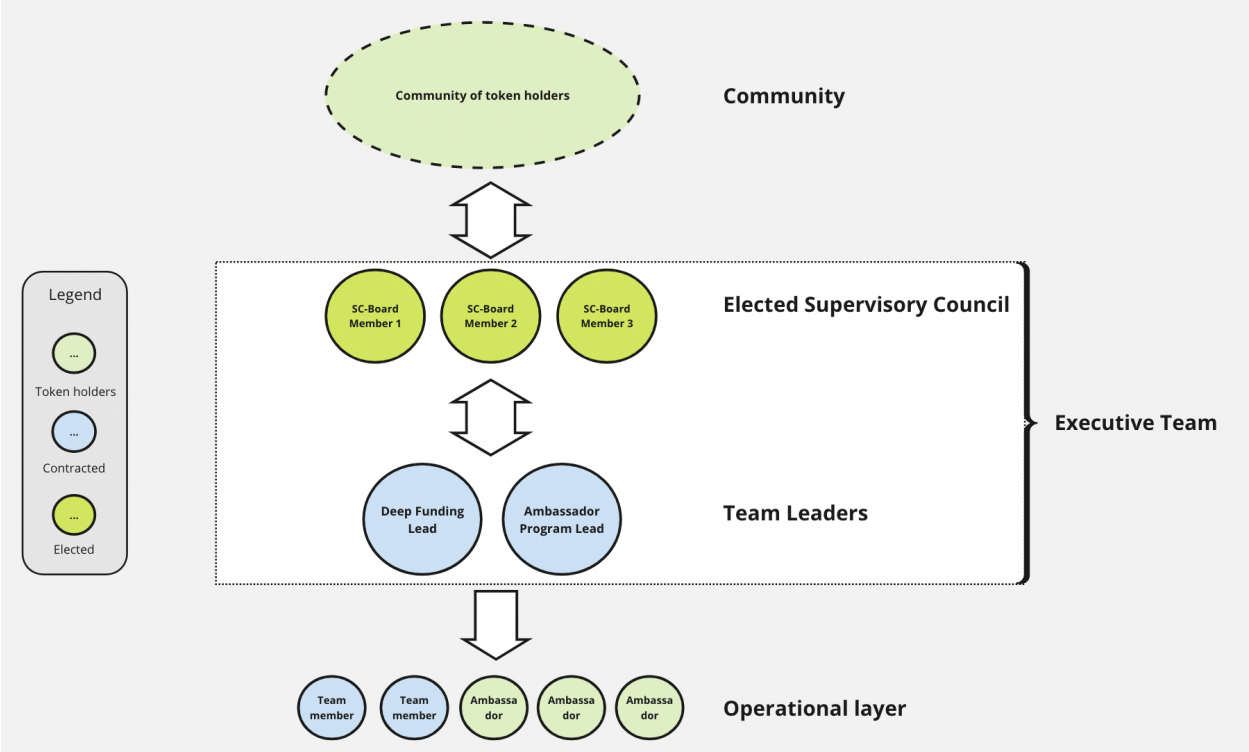
An established SCDAO - Vision

While subject to considerations of the Seed-SCDAO, community, and other stakeholders, we would like to present our current vision of the structure and functioning of such an organization as a starter for further exploration and debate.

This vision describes an early SCDAO that is well organized but still limited in scope. As the scope of SCDAO will expand over time, participating entities and roles will likely emerge, and this might, in turn, require some adaptation of the structure and processes.

Governing structure

The 2 graphics below illustrate how the SCDAO could operate.



The operational layer consists of contracted team members (in blue) and community ambassadors that are also paid but often on a more ad-hoc basis (in green). There is no clear dividing line between the two groups, and nor should there be one (a contractor may work part-time and some ambassadors may take on more and more tasks; the difference is mainly in how structurally people are assigned. When this allocation is above a certain threshold it may make more sense to both parties to 'contract' them. In terms of financial reporting, there should be clarity on whose hours are allocated to which entity at what costs.

The 'executive team' consists of the Supervisory Council and the leaders of the teams that are part of the SingComDAO. At the start there will be 2: The Deep Funding program and the Ambassador program. It is possible that going forward other entities will emerge or be added.

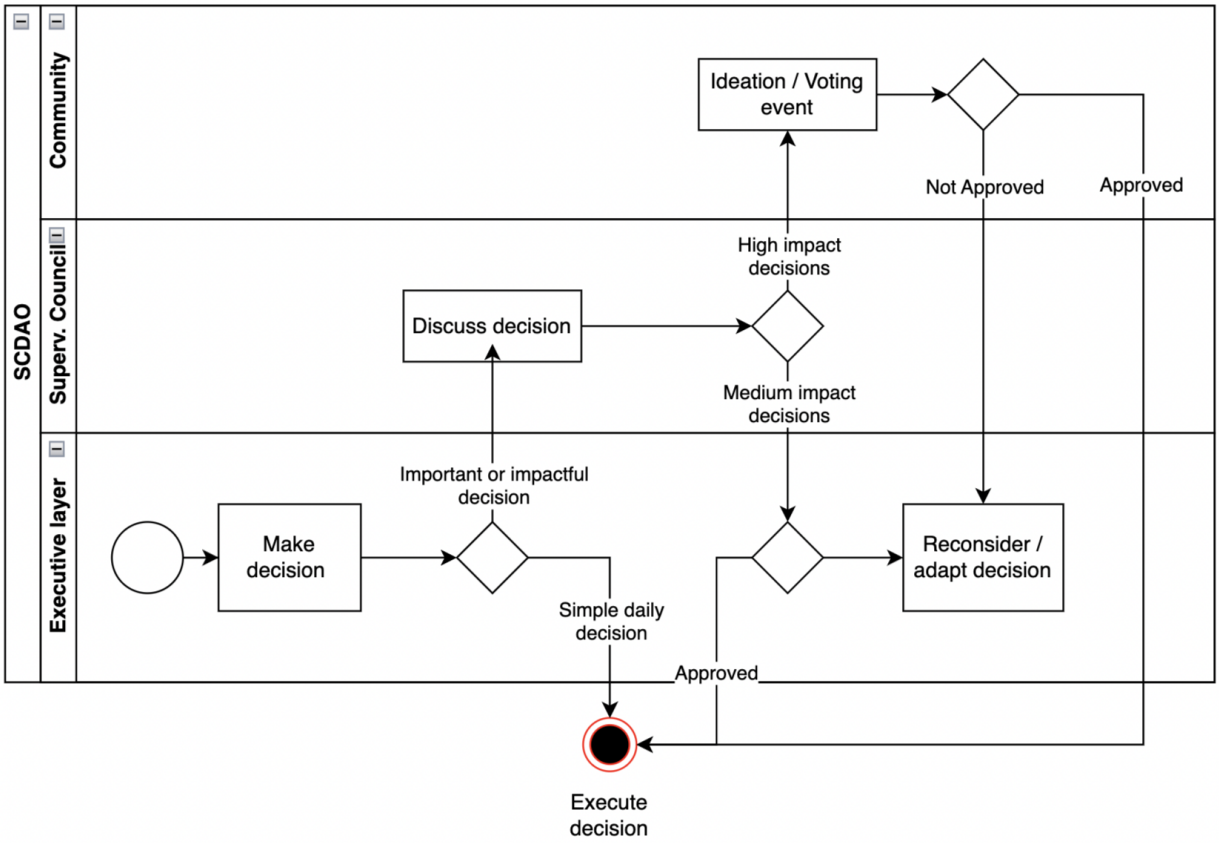
Decision-making process

The team leaders can make daily decisions that will be reviewed by the Executive team in hindsight by reporting and/or periodic meetings.

If a team leader wants to make a decision that is outside of the daily operational scope, they can consult the executive team, spearheaded by the Supervisory Council. The Executive team can either approve or determine that the decision requires consultation with the wider community. This will usually be the case in decisions or proposals that require a substantial budget, change existing structures, or are otherwise seen as impactful or risky.

The boundaries of these 3 layers will need to be further explored. They can either be defined strictly or grow from learning by doing. Most likely they will evolve over time, as the organization becomes more organized and well-established.

This process of decision-making is illustrated in the diagram below.



Community proposals

The decisions outlined above all originate from the level of the team leaders. A topic to be further explored is decisions that originate from other layers, such as the community or the Supervisory Council.

Deep Funding is already experimenting with 'Governance rounds' where the community can create proposals for change, discuss them with the community, and define them as proposals that are ready to be voted upon. A similar approach has been followed by the Foundation in the voting event around the application of the loyalty pool tokens. This process can be further refined and (perhaps) formalized.

Governance mechanics and tooling

Based on current insights and experience (which is subject to change) we expect that voting is not simply based on one person - one vote, or one token - one vote, but rather a mix of variables that determine every community member's voting weight. Variables that we expect to see used in some fashion are:

- The number of tokens a member owns (possibly leveled by an algorithm, such as quadratic voting)
- The reputation-or contribution score of a member, based on the rating of constructive activities performed and the recommendations of fellow community members
- The dynamics of a wallet, such as the age of the wallet, holding patterns, activity and behavior in voting events, end so on.

Perhaps this will be further enhanced by a kind of 'liquid democracy' that enables users to authorize other users to vote on their behalf on certain topics.

Such a mechanism is essential to the principles of SCDAO and will require proper tooling to ensure that the process is reliable, transparent, configurable (flexible), explainable, and robust.

This and other tooling may be 'bought or built' (or commissioned, or crowdsourced, etc.). It is within the mission of SCDAO to take the initiative in the development of such projects. This can be done with the goal of supporting the internal processes, but also to support a positive development in the wider blockchain and crypto community.

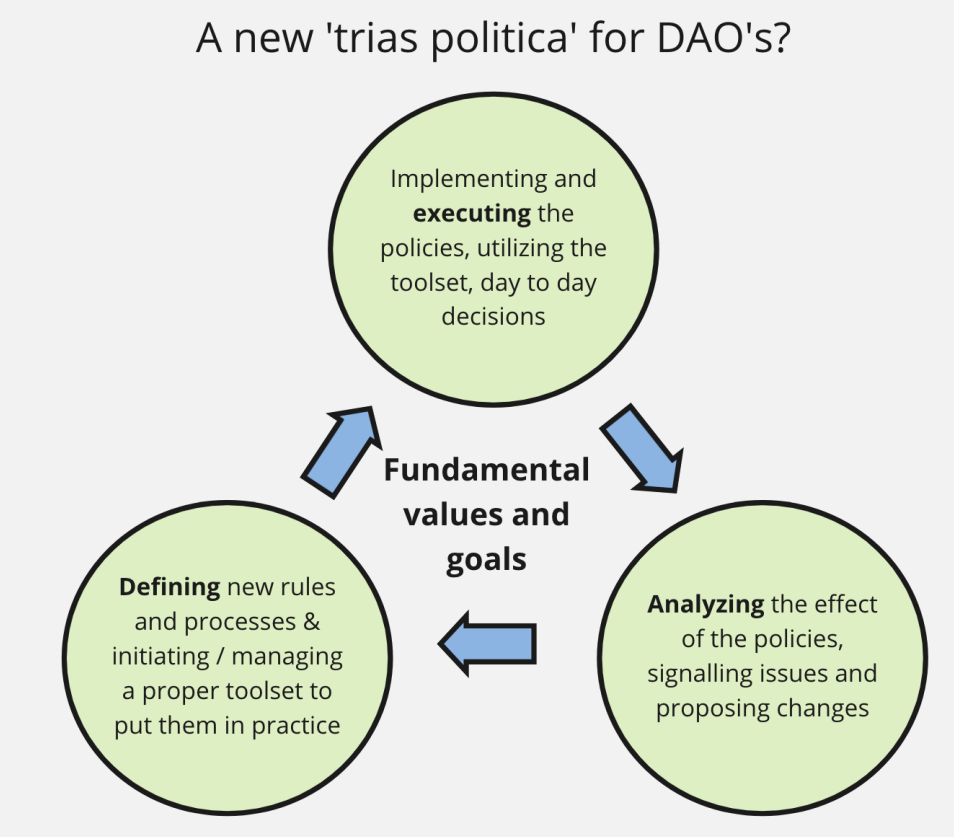
A new Trias Politica?

From a somewhat higher perspective, we could also organize the entities along a more fundamental distribution of responsibilities. Similar to the famous 'Trias Politica' that differentiates between legislative, executive, and judicial branches, we can imagine a separation of responsibilities centered around our mission and vision that is well-suited to a DAO context.

An effective distribution of tasks and responsibilities could be:

1. **Definition:** The translation and implementation of the fundamental principles into rules, tools, and processes
2. **Execution**: The execution of the processes and tools in daily practice
3. **Analysis:** The analysis of the outcomes of voting events and other (preparational) decision-making events

How such a distribution of tasks could be aligned with or distributed among the structure and entities outlined above, is a topic that will benefit from deeper discussion among stakeholders and the community.



Ideally, SCDAO will evolve as a shining example and driving force of democratic and inclusive decentralized governance principles, throughout the crypto ecosystem and beyond.

Closing remarks

This document serves as a starting point for a multi-year process. There will be ample opportunities for voicing your opinion and we welcome all contributions to making this a reality.

The Decentralized Governance Summit on April 21st, 2023 will set the stage and will be followed up with recurring sessions. The election of the new Supervisory Council, the following initiation of Seed-SCDAO, and after that the actual SCDAO, will all be based on community input and feedback.

We hope to welcome your participation as we embark on this journey together!