The Cardano Blockchain Ecosystem Constitution

Supporting Information

The Cardano Constitutional Convention was held simultaneously in Buenos Aires, Argentina and Nairobi, Kenya, from December 4th to 6th. More than 450 convention participants came to Buenos Aires and Nairobi, including 63 elected voting delegates ("Delegates") and 63 alternate Delegates ("Alternates") representing 52 countries, to deliberate and debate a constitution for the Cardano Blockchain Ecosystem.

The draft of the Cardano Blockchain Ecosystem Constitution (the "Cardano Constitution" or simply the "Constitution") that was presented at the Constitutional Convention reflected the collective output from more than a year's effort by the Constitution Ratification Working Group ("CRWG") of the Cardano Civics Committee, the Parameter Committee, the collaborative work of more than 1,400 Cardano community members who participated in 63 global constitutional workshops, and the consensus achieved through multiple additional workshops held by Delegates and Alternates elected to represent each of the global workshops at the Constitutional Convention. In preparing the draft Constitution, the CRWG also sought input from a group of constitutional and legal scholars from around the world.

After lively discussion and debate that was live streamed globally, the Delegates in Buenos Aires and Nairobi made further revisions to the draft Constitution. As so further revised, the Constitution was approved by an overwhelming majority of 95% of the Delegates. The Constitution is now being submitted to the Cardano community for its approval via an on-chain governance action. The Constitution can be

As of January 29, 2025

found at
https://docs.intersectmbo.org/cardano/cardano-governance/cardano-constitution/cardano-constitution-delegate-approved

This document is a guide to assist the Cardano community as they review the Constitution.

The Delegates and the CRWG are the best resources for understanding the progression of the Cardano Constitution. You can get in contact with the CRWG via the channel #cardano-civics-committee on the Intersect Discord or at civics-committee@intersectmbo.org. A complete list of Delegates can be found here.

To fully understand the Cardano Constitution, you can also read about the on-chain governance system launched during the Chang Hard Fork and specified in the Cardano Improvement Proposal 1694.

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The Journey to the Cardano Constitution

CIP-1694
The age of Voltaire for the Cardano Blockchain laid out the foundations for decentralized decision-making. To give effect to true governance by all ada owners, including on-chain voting, members of the Cardano Community worked together for more than a year, holding global workshops, to ultimately approve a Cardano Improvement Proposal, CIP-1694, that provides a governance system to bring decision making for the Cardano Blockchain network on-chain. CIP-1694 was published November 18, 2022, as a minimum viable on-chain governance framework. CIP-1694 assures that every ada owner has a voice in Cardano's governance. Following these global workshops and extensive Cardano Community participation, a refined version of CIP-1694 emerged.

Pursuant to CIP-1694, the Cardano Community will be able to present proposals to improve and update the Cardano Blockchain network by using Cardano's existing staking and delegation process to vote on such proposals. To enable this, a set of rules, parameters and guardrails must be in place to secure the safety and security of the Cardano Blockchain. CIP-1694 requires that these rules, parameters and guardrails be set out in a constitution that defines Cardano's shared values and guiding principles.

Chang Hard Fork
Two upgrades (or hard forks) to the Cardano Blockchain protocol are required to fully give effect to CIP-1694. The first upgrade—Chang Hard Fork —was initiated by Genesis Key Holders and approved by Cardano Blockchain stake pool operators (SPOs) and became effective on September 1, 2024. The Chang Hard Fork deployed the initial on-chain governance features to the Cardano Blockchain and ushered in an interim (or bootstrap phase) for Cardano Blockchain on-chain governance as described in CIP-1694.

To give effect to the bootstrap phase of minimum viable on-chain governance, as required by CIP-1694, an interim Cardano Blockchain constitution ("Interim Constitution") was established with the enactment of the Hard Fork. This Interim Constitution is a temporary governing document containing only the minimal requirements necessary for Chang Hard Fork to be implemented. The bootstrap phase also required that an interim Constitutional Committee ("ICC") be elected by the Cardano Community. The role of the Constitutional Committee (or "CC") is discussed below. Once the Cardano Constitution is approved pursuant to an on-chain vote, the Interim Constitution will be replaced. The term of the ICC members expires in September 2025 (Epoch 580) and at that time the Cardano Community will be able to elect a new Constitutional Committee.

Plomin Hard Fork
The second upgrade (or intra-era hard fork) to the Cardano Blockchain moved CIP-1694 out of the interim bootstrap phase and into full minimum viable on-chain governance as described in CIP-1694. Following SPO and ICC required approvals, the Plomin Hard Fork was implemented on January 29, 2025. As a final step, to fully implement on-chain governance, the Cardano Community must now ratify the Cardano Constitution on-chain.

Achieving Consensus on the Cardano Constitution
On behalf of the Cardano Community, the Constitution Ratification Working Group of the Cardano Civics Committee of Intersect brought together representatives of the Cardano

Community, blockchain governance and constitutional scholars and the Cardano Parameter Committee to develop the Cardano Constitution.

Using the Interim Constitution as a starting point, this group prepared a first draft of a constitution that was then submitted in July 2024 to representatives from the Cardano Community who volunteered to participate in a series of global community workshops. Between July and October 2024, 63 workshops were held in locations all over the world and involved more than 1,400 participants.

Each workshop, as well as others from the Cardano Community via an online open form, reviewed and provided feedback and recommendations on the July draft. Each workshop also elected a Delegate and Alternate to represent the views of their workshop at the Constitutional Convention.

As part of helping to organize the 63 global workshops, the CRWG identified the most complex issues that arose from the initial drafting process. The CRWG asked workshops to provide feedback on these issues. Each workshop chose which issues they particularly wanted to focus on. Output from the workshops, together with open-ended community feedback, shaped the edits that were made to the July draft.

The workshop data was reviewed by the CRWG and Parameter Committee, as well as the group of blockchain governance and constitutional scholars and turned into proposed revisions. The Delegates and Alternates met in a series of online and in-person workshops to synthesize the output from the global workshops and review the resulting proposed revisions to the draft constitution. In these workshops, Delegates were asked to review the proposed changes in light of their workshop's feedback and work as a group to settle on the best path forward. This often took the form of debates, problem solving, and compromise. Using that output, the Delegates and Alternates, again working with the CRWG, the Parameter Committee and a group of blockchain governance and constitutional scholars, revised the July draft constitution. That work resulted in a subsequent November 2024 draft constitution that was released to the Cardano Community.

Based on further community feedback, the Delegates and Alternates continued to review and make additional revisions to the November draft. They also took into consideration other community input including a draft constitution that was published by the Cardano Foundation and based on the November draft. Delegates, Alternates and other Cardano Community members continued to iterate on the draft constitution until reaching final consensus at the Constitutional Convention. The proposed Cardano Constitution was overwhelmingly approved by the Delegates at the Cardano Convention by a 95% margin. On that basis, the Delegates are putting forward the Constitution and support its submission on-chain for consideration by all owners of ada.

The journey did not end with the Cardano Convention. The Cardano Community, via its Delegated Representatives ("DReps") will soon decide whether to fully ratify the Delegate-approved Constitution through an upcoming on-chain governance action. The process of voting and the role of DReps is discussed further below.

Nevertheless, the CRWG, the Delegates, Alternates and others involved in the drafting process all recognize that the Cardano Constitution is not perfect. It is not an end, only the beginning. Over time, as all those involved to date recognize, the Constitution may need to be revised and improved. The Constitution acknowledges this. The process to amend the Constitution is discussed below.

Further, in the Delegate workshops, the Delegates and Alternates also identified a number of future governance work streams. The Cardano Community will be invited to organize and participate during 2025 in workshops to address these various future governance work streams. These future workshops will focus on various governance considerations such as governance processes and procedures that should not appropriately be included in a constitution, governance processes that the Constitution requires the community to implement to give effect to various constitutional mandates, and potential future amendments to the Constitution that may become appropriate based on review and feedback as to how governance processes are working.

The Role of the Cardano Constitution

Constitutions provide the highest level of governance framing - the rules for making rules. Most nation states have their own constitutions. In the blockchain industry, very few blockchain protocol constitutions exist and those that do tend to narrowly focus solely on governance activities that can be self-implemented on-chain through smart contract or similar approaches.

The Cardano Constitution aspires to go beyond what other blockchain protocols have attempted to date, recognizing that that the Cardano Constitution is not a constitution for only a blockchain but rather, it is a constitution for a blockchain ecosystem – a much more ambitious endeavor. Accordingly, how on-chain governance actions are approved, while extremely important, is not the sole focus of the Constitution. Rather, the Constitution provides the basis and fundamental framework through which all participants in the Cardano Community can come together to govern themselves and form radically new approaches to human interaction and collaboration. For example, codes of conduct are mentioned that are not strictly enforceable by the blockchain but are aspirational and set an expectation around governance norms.

While Cardano is not a traditional nation state and does not strive to become one, the Constitution recognizes that the Cardano Community, in voluntarily coming together, represents a virtual nation that seeks to create its own form of self-governance.

Accordingly, the role of the Cardano Constitution is twofold. Firstly, it establishes rights, expectations and principles of governance for the Cardano Blockchain ecosystem. Second, the Constitution provides technical safeguards, such as minimum and maximum parameter settings. The safeguards are intended to be enforced using smart contracts or the Cardano ledger where possible. Where not possible, the Constitutional Committee can prevent unconstitutional governance actions from being enacted on-chain.

Why the Cardano Constitution is so Important

CIP-1694 set out a governance system to bring decision-making for the Cardano Blockchain on-chain, advancing previous governance to ensure that every ada owner has a voice and a role in shaping the future of the Cardano Blockchain ecosystem. Without a constitution, it would be impossible to fully implement CIP-1694.

The Cardano Constitution provides the basis and fundamental framework through which all stakeholders in the Cardano Blockchain ecosystem can come together to govern themselves as provided by CIP-1694. The Constitution recognizes the role of and empowers the CC, confirms the right of the Cardano community to participate in collective bodies for collaboration, gives effect to on-chain governance, and empowers DReps to act as the voice of Ada owners for on-chain voting.

The Cardano Constitution is also designed to protect the Cardano Blockchain by requiring that governance actions consider the impact of such governance actions on the security, performance, functionality and long-term sustainability of the Cardano Blockchain; by laying out principles of good governance within CIP-1694's governance structure; and by inspiring and encouraging the Cardano Community to uphold the shared principles that make the Cardano Community unique.

The Contents and Structure of the Cardano Constitution

The Constitution consists of four parts: the Preamble, the Articles of the Constitution, Appendix I: Cardano Blockchain Guardrails, and Appendix II: Supporting Guidance. It outlines all the governance mechanisms, institutions, governance bodies, and responsibilities of all the various governance stakeholders in the Cardano Blockchain ecosystem. The roles and responsibilities of DReps, SPOs and the CC, as governance bodies, are established in the Constitution. Each of the parts of the Constitution and the governing bodies recognized in the Constitution are discussed below.

The Cardano Constitution is the cornerstone that will guide and serve as an anchor to all the other processes and developments the Cardano Blockchain ecosystem will need to provide a sustainable technological platform for Web3 products and services.

Introductory Note: Why Does the Constitution include both Articles and a Guardrails Appendix?

Bringing Together Technical and Non-Technical Considerations
As noted, the Cardano Constitution includes both Articles and a Guardrails Appendix. The Articles provide the governing framework for Cardano. The Articles establish the governance rights and processes for the Cardano Community. The Articles, as discussed below, include tenets which establish foundational guidance as to how the Cardano Blockchain is intended to operate and be maintained. The Articles recognize the branches of Cardano's government–DReps, SPOs and the CC–and set out their respective rights and responsibilities. The Articles establish the rights of the owners of ada to participate in on-chain governance. The Articles also establish the role that Cardano budgets will play in the future operations of the Cardano Blockchain and recognize the rights of the Cardano Community to access the Cardano Treasury in the future. Finally, the Articles provide the mechanics by which owners of ada can amend the Constitution in the future.

The Guardrails are set forth in Appendix I to the Constitution. They fulfill the unique function of governing a technology that traditional constitutions need not do. Governance actions can change the settings of the Cardano Blockchain. The Guardrails put limits on these changes to keep the Cardano Blockchain protocol within operational boundaries. These operational details are included separately in the Appendix I to keep the Constitution as a whole more approachable.

Why the Guardrails are part of the Constitution
The primary reason Guardrails are included in the Constitution is for enforceability. Before on-chain governance actions may be implemented on chain, the CC must review the constitutionality of the proposed governance actions. The CC therefore ensures that all governance actions are in accordance with both the Constitution as a whole and specifically the Guardrails. The CC's remit does not extend to enforcing any other documents outside of the Constitution. If the Guardrails Appendix was moved to a separate document outside of the Constitution, the Guardrails would only be voluntarily enforced by the Cardano Community, adding significant operational risk into the governance system of Cardano. Including both in the same document also allows for linking relevant parts of the main constitutional text to relevant parts of the guardrails.

The Cardano Community absolutely retains the right to change Guardrails by amending the Constitution. Because the Constitution's Appendices are deemed to be a part of the Constitution–thus requiring that a change to the Guardrails be implemented through an amendment to the Constitution–assures that the Guardrails always remain aligned with the rest of the Constitution. Additionally, including the Guardrails within the Constitution recognizes the relationship between Guardrails and other governing provisions of the Constitution. Including the Guardrails within the Constitution also assures consistency between the Constitution and Guardrails script. CIP-1694 allows constitutional amendments to update both the Guardrails script and Constitution text in the same governance action. This encourages both to be updated in tandem to keep both text and code aligned. Removing the Guardrails Appendix from the Constitution text would leave no enforceable connection between the Guardrails script and the Constitution.

Two additional considerations are worth noting. First, the Constitution amendment provisions of Article VII allow for different voting thresholds for amending Articles of the Constitution and amending specific Guardrails contained in the Appendix I. Second, many Guardrails include parameters that can be changed from time to time. These changes can be made by ada owners through on-chain governance actions without triggering an amendment to the Constitution as a whole.

A Section by Section Summary of the Constitution

The Preamble

What is the Purpose of a Preamble?
The preamble of a constitution helps to set the aspirations and very high level principles of the governing system and its constituents. Often preambles are intentionally inspirational and set intent for the constitution itself.

How Should a Preamble be Interpreted?
In practice, some courts use preambles to guide interpretation, but others do not. In most cases, the articles of a constitution provide greater detail and are used as the primary source for decision making. However, there may be cases where a preamble's principles can offer additional guidance as to the intent of that constitution's founders. Unless a constitution dictates

that the preamble may not be used to provide interpretational guidance, courts are traditionally free to use the preamble as an additional source of interpretation. In interpreting the Constitution, the Constitutional Committee may look to the Preamble for additional guidance.

The Cardano Constitution Preamble
The Preamble for the Cardano Constitution establishes high-level principles around which the Cardano Community aligns. It is also intended to be inspirational in the vision it contains and its encouragement for the Cardano Community to come together and participate in Cardano's governance.

The Preamble starts with an acknowledgment that Cardano is a decentralized ecosystem and that the Cardano Community consists of individuals, organizations, contributors and others that choose to identify themselves as part of the Cardano Blockchain ecosystem. The Preamble affirmatively states that the participants in the Cardano Community are guided by their shared principles and tenets as they exercise their self-governance by balancing decentralized decision-making with accountability and safeguarding the security of the Cardano Blockchain.

Article I. Cardano Blockchain Tenets and Guardrails

While the Preamble provides principles that the Cardano Blockchain ecosystem aspires towards, the Tenets offer more detail about how the Cardano Community is expected to evolve Cardano's technology over time.

The Guardrails are designed to avoid unexpected problems with the operation of the Cardano Blockchain. They are intended to guide the choice of sensible parameter settings and avoid potential problems with security, performance, functionality or long-term sustainability of the Cardano Blockchain protocol. Some of the Guardrails are automatable and over time are expected to be enforced via an on-chain Guardrails script or built-in ledger rules. However, other Guardrails require human intervention and may require interpretation based on unique facts and circumstances. The tenets are in the Constitution to provide foundational guidance to the Constitutional Committee when interpreting Guardrails that are not self-enforcing on-chain. Consistent with the Guardrails, the tenets provide direction for how the Cardano Blockchain is developed and evolves over time. The tenets are intended to guide the Constitutional Committee in accessing the constitutionality of on-chain governance actions.

Article II. The Cardano Blockchain Community

Article II importantly acknowledges that all who participate in the Cardano Blockchain ecosystem are beneficiaries of the Constitution and are encouraged to actively support and participate in the ongoing governance of Cardano as part of the collective Cardano Community. No membership of any kind is required to benefit from the rights provided by the Constitution. Article II also notes that the Cardano Community has a responsibility to maintain the integrity of the Cardano Blockchain.

Because the Preamble defines as broadly as possible the universe of participants within the Cardano Blockchain ecosystem that collectively make up the Cardano Community, Article II gives effect to the principles found in the Preamble.

Article II also recognizes the role of ada owners confirming that all ada owners have the right to participate in on-chain decision making. Ada owners can vote directly or by delegating to a DRep. Equally, Article II confirms that all of the Cardano Community is entitled and encouraged through the provisions of the Constitution to propose governance actions and to collaborate in developing, maintaining and building applications for the Cardano Blockchain.

Article III. Participatory And Decentralized Governance

Consistent with the governance model of CIP-1694, Article III introduces and recognizes the notion of decentralized, community driven governance. It also recognizes the branches of Cardano governance: DReps, SPOs and the CC. Most importantly, Article III enshrines the right of all ada owners to participate in voting for all on-chain governance actions.

Third-Party Custodians and Voting Rights
Section 3 of Article III protects the voting rights of ada owners. It provides that ada owners who use or hold their ada through third parties, such as custodians, maintain their governance rights and get to choose whether or not such third parties can vote on their behalf. Note that in this context, these third-party custodians or other designees are not intended to be a reference to DReps.

Technical solutions for enabling third-parties custodians and other designees to vote on an ada owner’s behalf (if so desired by an ada owner) has been identified as a critical future work stream.

Preserving the Voice of the Community
Section 4 introduces “Info” actions as a special form of on-chain governance action. “Info” actions assure an ongoing voice to the Cardano Community by allowing them to propose potential future on-chain governance actions and to allow community sentiment to be gauged without committing to any on-chain change to the Cardano Blockchain.

Off-Chain Governance Support
Sections 5 and 6 of Article III recognizes the role that off-chain governance activities play leading up to both proposing and voting for on-chain governance actions.

Article IV. The Cardano Blockchain Ecosystem Budget

Article IV provides the framework for the Cardano Blockchain ecosystem budget process.

What are Budgets for?
Section 1 states that Cardano Blockchain ecosystem budgets are intended for the ongoing operation, maintenance and future development of the Cardano Blockchain ecosystem and for covering other costs related to the implementation, administration and maintenance of the decentralized, on-chain governance processes provided for in the Constitution. Section 1 enshrines the right of Cardano Community participants to propose budgets, allows for a single aggregate budget or for multiple budgets and allows budgets to be approved for different periods of time.

Budget Transparency

Section 2 requires that budget processes and administration use, where possible, smart contracts and other blockchain based tools to facilitate decision-making and ensure transparency. It also mandates the use of third-party administrators selected by the Cardano Community for overseeing the use of Cardano Blockchain treasury withdrawals.

Treasury Withdrawals

Sections 3, 4 and 5 of Article IV address the use of funds received from the Cardano Blockchain treasury. Periodically, the Cardano Community must set net change limits for the Cardano Blockchain treasury. Withdrawals from the Cardano Blockchain treasury that would violate the net change limit then in effect are precluded by Article IV. Further, all treasury withdrawals must be in accordance with the requirements of previously approved budgets. Use of treasury funds are subject to periodic independent audit oversight and parties entering into contracts involving the use of treasury funds must include dispute resolution provisions. Finally, funds withdrawn from the Cardano Blockchain treasury that are being held by an administrator must be held in a separate account and can only be used for an “abstain” vote on governance actions.

Article V. Delegated Representatives

DReps will play a crucial role in the decision-making process within the Cardano Blockchain ecosystem, contributing to the democratic nature of the Cardano Blockchain ecosystem governance model.

What is a DRep?

DReps act as spokespersons for the Cardano Community and will play an active role in decentralized governance by:

1. *Representing the Cardano Community:* Voting on on-chain governance actions in a manner that reflects the interests of the ada owners who have delegated their vote to the DRep
2. *Facilitating Decentralized Governance*: Engaging in decision-making on Cardano Blockchain protocol updates and on-chain governance proposals.
3. *Advocating for Cardano Community Interests:* Ensuring that stakeholders’ voices are heard and promoted.
4. *Encouraging Inclusivity:* Enabling stakeholders to delegate voting power, ensuring broad participation regardless of expertise or availability.

Registering as a DRep or Delegating to a DRep

Sections 1 and 2 of Article V allow ada owners to register as DReps to directly vote on governance actions or delegate their voting rights to other registered DReps for the purpose of voting. As a result, DReps may vote on behalf of other ada owners who delegate their ada to them. Note, to prevent hostile actors from compromising the Cardano Blockchain’s governance system by generating multiple DReps, the Guardrails require that voting power remain proportional to each DRep’s delegated stake in ada, where one lovelace (0.000001 ada) equals one vote.

It is expected that to encourage delegation, DReps will clearly communicate their vision, philosophy and how they intend to vote on upcoming on-chain governance actions. Ada owners who prefer less direct engagement in the on-chain governance processes can delegate to one or more DReps on that basis. Ada owners can delegate to multiple DReps and can revoke or reallocate their delegation at any time. Article V enshrines this concept of “liquid” democracy by offering ada owners the strengths of direct democracy with a flexible form of indirect participation.

DRep Codes of Conduct
Section 3 provides that DRep are expected to periodically adopt codes of conduct and make them public. DReps are also encouraged to include ethical guidelines in their codes of conduct. This will allow ada owners to consider such codes of conduct in selecting DReps.

DRep Compensation and Administrative Expenses
Section 5 allows DReps to be compensated for their work but does not mandate compensation and does not require (nor preclude) that any compensation come from the Cardano Blockchain Treasury. However, Section 4 provides that the Cardano Community is expected to support the creation, maintenance and ongoing administration of tools to enable owners of ada to explore and evaluate DRep candidates, access and evaluate DRep codes of conduct and select DReps on criteria as they deem relevant. Finally, Section 6 prohibits DReps from compensating ada owners in exchange for their vote.

Article VI. Stake Pool Operators

SPO’s already play a critical role in maintaining the Cardano Blockchain protocol. Article VI recognizes the existing roles and responsibilities of SPOs and specifies the new role that SPOs will play regarding voting as a “separate class” for certain types of on-chain governance actions. Article VI acknowledges that SPOs participate in hard fork initiation processes as the operators of the nodes that participate in Cardano Blockchain’s consensus mechanism.

Separation of powers
Section 2 recognizes that SPOs act as a check on the power of the Constitutional Committee under exceptional circumstances by separately voting on “Motion of no confidence” and “Update committee/threshold and/or term” governance actions, and on “Parameter Update” governance actions that affect security-critical parameters.

The Constitution does not, however, explicitly mandate a separation of powers among DReps, SPOs and CC members. Although many in the Cardano Community, including Delegates, supported the notion that governance actors should not participate in multiple governance roles, there was no majority consensus in favor of mandating such a separation of powers in the Constitution at this time.

Among the concerns expressed against a formal separation of powers mandate were whether there is presently sufficient participation and expertise within the Cardano Community to prohibit participants from “wearing more than one hat.” There was also concern as to how such a policy could be policed and enforced. However, utilizing the guardrails and transparency mandates within the Constitution, as well as the expectation that governance actors will publish and follow codes of conduct, ada owners have the power by “voting with their feet” to monitor and mitigate such separation of powers concerns.

Codes of Conduct
To address separation of powers concerns, Section 3 encourages SPOs to periodically adopt and make public codes or conducts. They are further encouraged to include ethical guidelines in their codes of conduct. Section 4 also requires that owners of ada who are both SPOs and

acting as DReps publicly disclose that they are participating in on-chain governance actions in both such capacities prior to exercising any on-chain governance rights.

It is expected that future Cardano Community work streams will focus on separation of power considerations.

Article VII. Constitutional Committee

Article VII formally introduces the Constitutional Committee as a branch of Cardano's on-chain governance process. Article VII provides guidance on operations and the role of the CC. It also addresses how the CC is expected to participate in different types of on-chain governance actions.

What is the Constitutional Committee?

The CC is an elective body, similar to a supreme court. It is responsible for reviewing whether governance actions that will be implemented on-chain are constitutional. The CC ensures that on-chain governance actions adhere to all of the provisions of the Cardano Constitution and safeguards the Cardano Blockchain's governance framework by:

1. *Evaluating Constitutionality*: Reviewing and rejecting unconstitutional on-chain governance actions prior to implementation.
2. *Providing Stability:* Offering continuity in on-chain governance decisions over the long term.

The CC helps to ensure that governance decisions align with the Cardano Blockchain ecosystem's foundational principles consistent with participatory, decentralized governance. However, the Constitutional Committee is limited to only voting on the constitutionality of governance actions to be enacted on-chain.

Constitutional Committee (CC) Size and Term Length

Section 2 specifies that owners of ada can determine the size and term length for the CC subject to the requirements of the Guardrails. This approach gives maximum power to change the size of and term lengths for the CC as necessary to reflect future desires of the Cardano Community.

CC Elections

The Constitution does not specify an off-chain process for selecting CC members. Instead, Section 3 requires that the Cardano Community establish such a process. The Cardano Community is expected to undertake a work stream and propose an off-chain selection process by mid-2025 before the ICC's term expires, giving time for the ICC to help train the next round of CC members. In all cases, CC members are elected by DReps and SPOs through an on-chain vote.

The role of the Constitutional Committee

Section 4 addresses how and when the CC is expected to participate in on-chain governance actions. No governance action, other than a "Motion of no confidence," or "Update Constitutional Committee/threshold and/or term" may be implemented on-chain unless a requisite percentage of the members of the CC have determined that such proposal does not violate the Constitution.

As discussed above, "Info" actions are a special type of governance action that allows the Cardano Community to propose potential future on-chain governance actions and to allow community sentiment to be gauged without committing to any on-chain change to the Cardano Blockchain. Accordingly, Section 4 acknowledges that in the case of “Info” actions, because they have no on-chain effect, the Constitutional Committee cannot prevent “Info” actions from being recorded on-chain. However, members of the CC are free to record a vote on-chain regarding an “Info” action if they wish to express a view on the “Info” action, including whether the suggested course of action proposed in the “Info” action, would be, in the member’s view, unconstitutional if it were to be enforced by on-chain mechanisms. This also allows a CC member to help shape the debate but does not allow the CC to restrict the voice of the Cardano Community.

Presently, “Info” actions are also used as part of the process of approving Cardano Blockchain ecosystem budgets and for authorizing Cardano Blockchain treasury withdrawals. As a result, Section 4 includes two exceptions to the limitation on the right of the CC to opine as to the constitutionality of “Info” actions. In the case of “Info” actions that propose a Cardano Blockchain ecosystem budget, Constitutional Committee members are expected to vote as to whether the proposed budget, if it were implemented on-chain in the form contained in the “Info” action, would violate the Constitution. Equally, in the case of “Info” actions that propose a withdrawal from the Cardano Blockchain treasury pursuant to a previously approved budget, CC members are expected to vote as to whether the proposed withdrawal, if made in accordance with the “Info” action, would violate the Constitution.

Replacing the CC in its Entirety or Replacing Specific Members

Section 5 of Article VII provides the mechanics for replacing CC members. If a specified percentage of SPOs and DReps vote pursuant to an “Update Constitutional Committee/threshold and/or term” governance action because a member of the CC is not carrying out its responsibilities as required by this Constitution, the member is removed and replaced by a new member designated in that governance action. All members of the CC can be removed at one time pursuant to a “Motion of no confidence” governance action approved by a required percentage of SPOs and DReps. In such a situation, the CC is considered to be in a state of no-confidence and no on-chain governance actions (except for non-budget and non-treasury withdrawal “Info” actions) can take place until there is a new election via an update CC governance action either to reinstate the existing CC members in whole or in part, or to elect new CC members.

CC Code of Conduct

Section 6 requires that the CC periodically adopt and publish a code of conduct. The CC is also encouraged to include ethical guidelines in their code of conduct. The CC is also expected to adopt and publish its policies and procedures. Although the Constitution does not generally mandate the specifics to be included in the CC’s code of conduct or policies and procedures, Section 6 does require that CC process be transparent and that each CC member voting no with respect to an on-chain governance action, publish its rationale for the no vote.

Administrative Tools and CC Compensation

Article VII states that CC members may be compensated if and to the extent compensation is included in a Cardano Blockchain ecosystem budget. On the other hand, Sections 7 and 8 require that the Cardano Community support administrative tools for the Constitutional Committee to perform its required functions and to cover administrative costs (if not otherwise covered by provided compensation) of the CC in Cardano Blockchain ecosystem budgets.

Separation of Powers
Similar to the discussion above, it is recognized that CC members may also have other governance roles. Accordingly, Section 9 requires that any CC member who is also acting in the capacity as a DRep, SPO or both, must disclose their multiple roles prior to engaging in any on-chain voting.

Article VIII. Amendment Process

Article VIII addresses how the Constitution can be amended in the future. It also addresses circumstances in which Guardrail amendments can occur with voting thresholds different from the amendment threshold otherwise specified by Article VIII.

The Constitution as a Living Document
Article VIII specifically acknowledges that the Constitution should be treated as a living document, recognizing that technical advancements, changes in the desires, needs and expectations of the Cardano Community, and unforeseen circumstances, could all give rise to the need in the future to amend the Constitution. Therefore Section 1 encourages the Cardano Community to periodically review and debate the Constitution's provisions, and when so desired, come together to propose future amendments.

Appendix I. Cardano Blockchain Guardrails

As previously mentioned, in order to implement Cardano Blockchain on-chain governance, the Cardano Community determined that it is necessary to establish sensible guardrails that will enable the Cardano Blockchain to continue to operate in a secure and sustainable way. The Guardrails Appendix includes the Guardrails that must be applied to Cardano Blockchain on-chain governance actions, including changes to the protocol parameters and limits on treasury withdrawals. The Guardrails cover both essential, intrinsic limits on settings, and recommendations that are based on experience, measurement and governance objectives.

As stated in the Guardrails Appendix, the Guardrails have been designed to avoid unexpected problems with the operation of the Cardano Blockchain. "They are intended to guide the choice of sensible parameter settings and avoid potential problems with security, performance, functionality or long-term sustainability."

The Guardrails Appendix also acknowledges that while some Guardrails are automatable and will be enforced via an on-chain script or built-in ledger rules, other Guardrails require human involvement to be implemented or interpreted. In the latter case, it is the responsibility of the CC to evaluate on-chain governance actions, taking into account the language in the Guardrails Appendix and the language in the body of the Constitution, particularly the tenets contained in Article I.

Parameter guardrails review
The Parameter Committee proposed several changes to the Guardrails Appendix which are now reflected in the November Constitution draft. All of the revisions related to Guardrail descriptions. None of the Guardrail values were changed. (For the full technical rationale of the guardrails, please see the Parameter Committee's documentation here: https://committees.docs.intersectmbo.org/intersect-parameter-committee-1/standards-operational-procedures/technical-rationale-for-guardrail)

Appendix II. Supporting Guidance

Appendix II is intended to provide useful context to the Constitutional Committee as it interprets the Constitution.

Framing Notes
Historical context is provided through Framing Notes. The Framing Notes briefly discuss the history of the Cardano Blockchain. The Framing Notes also serve as an important reminder that the Cardano Constitution is more than a constitution for a blockchain protocol. The Framing Notes act as a reminder to readers of the Constitution that it is intended to be a constitution for a blockchain ecosystem that enshrines governance principles beyond those that can solely be implemented directly through smart contracts or a blockchain ledger.

Other Guidance
Appendix II affirms the right of the CC to look to other resources outside of the Constitution as it performs its duties of interpreting the Constitution. Specially, Appendix II recognizes that the Cardano Community may publish from time to time guidance for interpreting the Constitution including definitions for certain terms contained in the Constitution.