

Paper: Blockchain and SDG Finance

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Abstract

ACT is a decentralised autonomous organisation (DAO) that supports the “enabling elements” of citizen engagement - conditions that affect the ability of state and citizens to engage in systems of social accountability.

ACT seeks to boost these enabling elements and associated conditions in support of citizen action. The societal problem being addressed is social accountability, which is the extent and capability of citizens to hold the state accountable and make it responsive to their needs.

There is always a power imbalance between citizen action and state action. This can manifest itself as bureaucratic inertia (nothing happens), or, in worst case scenarios, repercussions and reprisals against those who dare to speak truth to power.

ACT aggregates citizen force by pooling modest donations (for example, one million people pay \$1) within an immutable block chain, powered by software that releases funds only to causes that the citizens themselves vote for.

Think of a community fighting plans for an open cast coal mine, where there is certainty that its pollution will kill. In Wales, for example, they have fought in court and with the help of National campaigners’ organized significant opposition, but finding resources to sustain these activities is impossible.

If ACT, say, in Britain, had a million members who selected climate change as a topic of concern, then the power imbalance between citizen and state action could shift dramatically. The DAOACT platform would allow a concerned, local community to raise thousands and scale protests in a matter of days.

This is why ACT is needed. It creates a sea change in how citizen action is initiated and executed, empowering citizens to better hold their governments accountable and make them responsive to their needs.

But ACT - a “decentralized autonomous organization” with automated organizational governance and decision-making - must be seen as a truly global development project. It is a housewife in Arizona supporting a woman in Chile who was arrested for campaigning against a polluting company. It is a guy in Australia voting to help a campaigner in Asia who is exposing illegal loggers in pristine rainforests.

ACT is power in numbers and across borders. It is successfully achieving all 17 Sustainable Development Goals through a new paradigm of global unity and coordination on a massive scale. This is only possible through the responsiveness afforded by decentralization, the efficiency of smart contracts, and the trust provided by autonomous governance.

EXAMPLE: Maria Dzuba's daughter is disabled and confined to a wheelchair for mobility. She was raised in an apartment in a state-maintained building in the Moscow Sky region of Minsk, Belarus. The elevator, for which maintenance is the responsibility of local government, broke, and the government declined to repair it. No suitable alternative was offered to Maria. The decision to repair seemed to rest on issues of budget.

Availing of a state-citizen interface offered through Belarus law 300-3 18.6.2011, Maria wants to gather a significant number of signatures in support of her petition to the local government to revisit its decision regarding the elevator in her building, which is essential to her standard of living, and that of her daughter, Lera. The law stipulates that 30 supporting signatures in an open letter addressed to the government represents a public letter. Maria thinks that if she gains 2000 signatures reflecting broad support from her local community, and the broader mobility impaired community in Belarus, that her letter will receive a positive outcome.

In order to mobilize this number of people, she will incur travel costs, phone costs, and possible costs associated with other necessary publicity. She wishes to raise \$200, which is approximately equivalent to her monthly income. She submits her case on the new platform ACT, and members that have registered as interested in Sustainable Development Goals 10 or 11 worldwide and in Belarus are notified about her proposal. When the five day voting period is complete, two thirds of this part of ACT's community had reacted to her proposal with the necessary quorum (60%) voting in favor of her proposal.

Preamble: What problem does ACT solve?

There is always a power imbalance between citizen action and state action. This can manifest itself as bureaucratic inertia (nothing happens), or, in worst case scenarios, repercussions and reprisals against those who dare to speak truth to power.

ACT aggregates citizen force by pooling modest payments for votes (for example, one million people pay \$1) within an immutable block chain, powered by software that releases funds only to causes that the citizens themselves vote for.

Think of a community fighting plans for an open cast coal mine, where there is certainty that its pollution will kill. In Wales, for example, they have fought in court and with the help of National campaigners organized significant opposition, but finding resources to sustain these activities is a real challenge.

If ACT, say, in Britain, had a million members who selected climate change as a topic of concern, then the power imbalance between citizen and state action could shift dramatically. The ACT platform would allow a concerned, local community to raise money and scale protests in a matter of days.

This is why ACT is needed. It creates a sea change in how citizen action is initiated and executed, empowering citizens to better hold their governments accountable and make them responsive to their needs.

But ACT - a "decentralized autonomous organization" with automated organizational governance and decision-making - must be seen as a truly global development project. It is a

housewife in Arizona supporting a woman in Chile who was arrested for campaigning against a polluting company. It is a guy in Australia voting to help a campaigner in Asia who is exposing illegal loggers in pristine rainforests.

ACT is power in numbers and across borders. It is succeeding in making change happen through a new paradigm of global unity and coordination on a massive scale. This is only possible through the responsiveness afforded by decentralization, the efficiency of smart contracts, and the trust provided by autonomous governance.

Welcome to ACT

www.daoact.org

Author: [Fraser Brown](#)



Key definitions

Social Accountability is the extent and capability of citizens to hold the state accountable and make it responsive to their needs.

A **Decentralised Autonomous Organisation** (DAO) is principally created as a vehicle to achieve or maintain a shared purpose and will receive and distribute funds, as well as control actions that are designed to help promote or further the purpose of the DAO. DAO's implement self-determining and independent organizational governance, management and operations using immutable blockchains and smart contracts.

A **blockchain** is an encoded digital ledger that is stored on multiple computers in a public or private network. It is comprised of data records or "blocks." Once these blocks are collected in a chain, they cannot be changed or deleted by a single actor; instead, they are verified and managed using automation and shared governance protocols.

Who is spearheading the ACT Initiative?

Development Finance consultant [Fraser Brown](#) MBA is the proponent of ACT, spearheading the social venture. He currently advises global institutions including the [International Union for Conservation of Nature](#) (IUCN), [Climate Change and Food Security](#) (CCAFS), and [UNDP](#) on innovative financial mechanisms primarily focused on Africa, East Asia and Eastern Europe. He is also a mentor with [Yunus Social Business](#) in Uganda. During his twenty-five-year career to date, he has reimagined the way that business is done in many sectors, including the Arts, high-end retail, social networks, and most recently, financing conservation. He has a unique blend of venture-growth skills, technical capacity, and professional network, making him well placed to drive ACT with the support of colleagues and ACT's primary digital development partner [Draglet](#), Germany. ACT will undoubtedly develop as a core team supported by a committed and impassioned community.

The ACT Vision

ACT will play a critical role in the value shift away from individualism towards collective purpose through connecting citizens, while providing a truly revolutionary mechanism for strengthening social accountability. ACT will become a transformative agent - a civil society-boosting, experientially satisfying, and, democratically revivifying tool, resistant to forces of marketization and self-interest.

To grasp the ultimate role of ACT in empowering citizens globally might require panoptic foresight that the world tends to lack. To grasp the full potential of ACT for international development one might need to avoid a strongly normative position on how development happens. ACT could have global effects impossible to imagine now, that is as they say, “right up until the point that they become obvious.”

Increasingly in societies around the world, the space for civil societies to convene, and the safety for citizens to come together and speak out is being diminished. As the effects of climate change bite down, citizen action will result in increased pressure on states. Social and ecological aspects are intertwined, and climate impacts are indisputably moving toward the extreme end of the uncertainty range. A social-ecological evolution is going to play out on a world stage.

We are also witnessing increasing amounts of elite resources being deployed in order to spread false information and create confusion in an effort to fortress the future and protect the massive wealth of the few, rendering non-elites pawns. However, as Joe Brewer of Culture Design wrote, “the future will not be determined by any one of us. It will be those who tip the scales in aggregate force of vision and intentionality that set the course for where we all will go.” ACT is that aggregation. It provides the mobilization needed to reclaim our spectrum of rights as citizens in a transitioning world, where the Sustainable Development Goals are achieved, and where the egregious and selfish interests of a powerful few fail.

Criticism of prevailing social pathologies is helpful, but it can only take us so far. A positive vision is needed. The ACT philosophy is one of a virtuous circle of social cohesion, trust, and environmental action. This dynamic promotes social accountability, which leads naturally to more pro-social thinking and behaviour. This, in turn, facilitates the ability to address collective challenges, and ACT provides an engine through which change will be catalysed.

Systemically, ACT has the capacity to enhance a sense of purpose and the feeling of belonging to a larger community, both of which are fundamental to social progress. The opportunity to belong and to contribute in a new social environment that fosters feelings of autonomy, trust and potential will transform citizen engagement.

Citizen engagement and social accountability

Citizen engagement is a central feature of a smooth transition to a world being developed in a way that is sustainable. It is defined by the World Bank as the interplay of five constitutive elements according to the following diagram in which the Bank says there is an “imbalance of power” between State Action and Citizen Action:

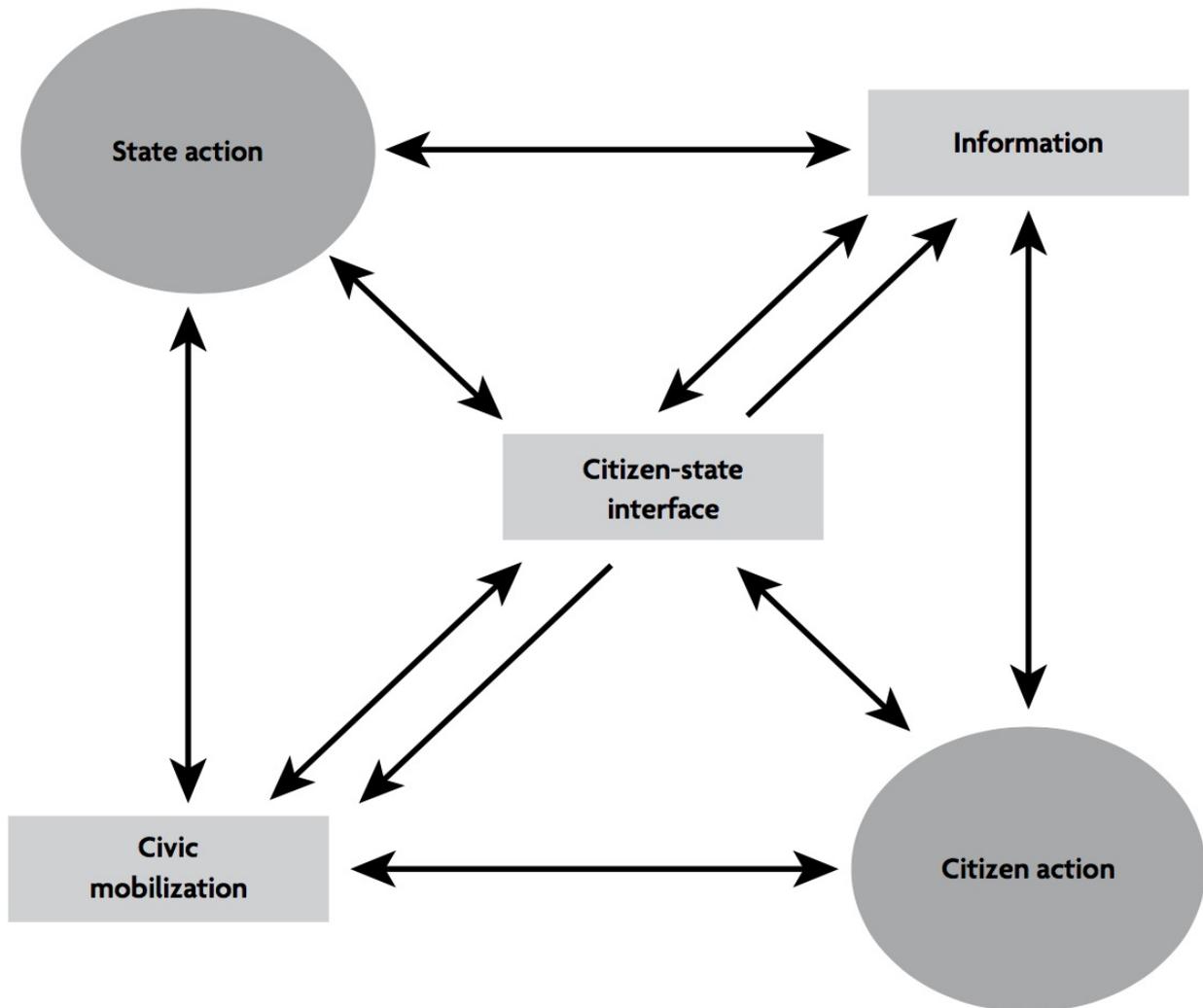


Figure 1: Social Accountability as the Interplay of Five Elements. Source: World Bank Group

Opening the Black Box The Contextual Drivers of Social Accountability. Helene Grandvoinet, Ghazia Aslam, and Shomikho Raha

The Bank further describes its model through the lens of social accountability;

“Social accountability mechanisms primarily stem from the potential of the citizen-state interface, which is itself a dynamic, iterative engagement between citizen groups and state officials, with the flow of information acting as both a driver and an output of this engagement

and further spurring citizen and state action via civic mobilization.”

Through ACT, the interplay between the five elements evolves as a critical mass is reached. Information, civic mobilization, and state-citizen interface are supported through ACT dependent on the actions of citizens and state. A robust, self-reinforcing ecosystem is possible delivering ever greater levels of citizen engagement and positive change through improved social accountability.



Figure 2: The ACT impact model

To the extent that society is considered as a community of citizens linked by common interests and collective activity, ACT fundamentally empowers civil society by driving social accountability. It will underscore the salience and intrinsic motivation of issues supported by a majority of users. When it invests in information, it increases awareness of the issue, and informs citizens about the costs of inaction; and when it invests in civic mobilization, it increases the efficacy of civic action, and capacity for collective action.

To what extent can the actions funded through ACT promote institutional changes on the supply side - behavioural changes within government? It is envisaged that for greatest impact, ACT will fund two distinct areas: information and mobilization. A key observation of the citizen engagement model in practice is that mobilization may be spurred by information or precede it. In other words, to achieve the greatest impact, the ACT should respond to both needs where appropriate.

In these ways, ACT improves social accountability by enhancing the extent and capability of citizens to hold the state accountable and make it responsive to their needs.

Enabling conditions and change

Many factors have a bearing on the form and effectiveness of citizen engagement. Depending on context, and the interplay of the five elements of social accountability (figure 1), particular forms of citizen engagement will interact in more positive ways with existing institutions and processes of governance. The drivers of state action include awareness, ability to resolve the issue, official attitude toward engaging with citizen demands, intrinsic motivation and cost of inaction.

Institutions respond differently to engagement depending on these things. In some cases, the result is simply bureaucratic inertia (nothing happens), or worse still, repercussions and reprisals against those who dared to speak truth to power. Elite capture, tokenistic participation, apathy, disappointment or disengagement, and retaliation all represent risks for the social accountability process. Some governments have sought to inhibit the ability of citizens to synchronise opinions and actions, and coordinate, for example, though inflecting that capability in so much as it is facilitated by the internet, down. However, it will be significantly difficult to inhibit ACT in such a way. In the same way that Gutenberg's invention was not specifically intended to aid Protestantism, or mobile phone manufacturers and operators did not foresee how texting would become such an important feature for citizens, ACT has the potential to change more than we can preconceive. As Clay Shirky helpfully points out;

"Because social effects lag behind technological ones by decades, real revolutions don't involve an orderly transition from point A to point B."



Figure 3: ACT Theory of Change

Improving social accountability also depends upon the existence of an enabling environment. We know that the "health" of this enabling environment, or how "enabling" it is, depends in large measure upon the extent to which certain external factors assist or hinder civil society in promoting the Sustainable Development Goals and the interests of citizens. These factors are the legal and regulatory framework, the political and governance context; socio-cultural characteristics, and economic conditions. The World Bank describes:

“Some of them are more actionable than others from the point of view of legal or policy reform interventions. These external conditions in turn influence specific “enabling elements” that are essential to the effectiveness of civil society as a key determinant of development. These enabling elements are:

- the freedom of citizens to associate (A);
- their ability to mobilize financial resources to fulfill the objectives of their organizations (R);
- their ability to formulate, articulate and convey opinion (V);
- their access to information (necessary for their ability to exercise voice, engage in negotiation and gain access to resources) (I); and,
- the existence of spaces and rules of engagement for negotiation and public debate (N).”

This “ARVIN” model effectively synthesizes the complexity of multiple conditions that affect the ability of civil society, citizen groups and governments to engage in mechanisms of social accountability.

The ability of citizens to “change” their government is also complex: on the one hand, the need to aggregate the common voice is a prerequisite, however, on the other side, the capacity to speak for the many when it comes to negotiating actual changes with the government is paramount. Interlocutors are a vital component of the state-citizen interface. They are intermediaries skilled at building the mutually reinforcing cross-sectoral coalitions between state and society, grounded in mutually perceived shared interests. Depending on the nature of the action taken, government response could be either positive incentives to encourage reformers or negative sanctions to address bottlenecks and abuse. But it is the institutional capacity to respond that is key, and this speaks to one of ACT most exciting propositions. It has the potential to affect the system by being co-opted by the system. Of course, the state and civil society are not homogeneous entities, but **imagine ACT helping to fund an audit/anti-corruption investigative body proposed by a state institution, or raising 50% matching finance for a state sanctioned development agency partner investing in an important new program with a civil society organization.**

ACT is in essence a democratic process that citizens can have complete faith in. It is baked into the DNA of social accountability. A direct effect of this will be faith that things can improve. It empowers people to see beyond the idea of a Paternal State that should solve all “my” problems and offers an alternative reality in which “problems in my community are up to me to fix..” The difference between what people experience and what they expect is the very fuel for social movements, and when that expectation becomes something they feel in control of – even the deepest, and most fundamental longings for freedom, liberty and justice – everything could change. People will become active participants, rather than spectators in the affairs of their country, and expectation and hope for their future will increase.

The critical role of a global citizen’s movement in advancing social transformation is also reflected in ACT’s design. It allows for truly global community action, and if those who believe in a nascent supranational community are right, then ACT will become part of its manifestation. The international/local cooperation dynamic within ACT will reflect the deepening interdependence binding humanity and Earth into a single community of fate.