

Proof of Good

CRYPTOBEYER

Framework Web3

TABLE OF CONTENTS

Introduction

Why Public Good Must be Web3's
North Star

Key Questions for Proof of Good

10 Commandments for Creating a
Better World through Web3

Guidance for Web3 Founders: Applying
the Proof of Good Framework

INTRODUCTION

Web3 promises to empower individuals and create a more equitable digital space, but technology alone cannot drive societal change. How we shape, apply, and guide Web3 development with human-centered values, equity, and sustainability at the core will determine its real impact. The Proof of Good framework is designed to assess how Web3 projects are aligned with societal well-being and public good—making sure they are building more than just technological innovations, but tools for improving lives and building healthier communities.

Why Public Good Must Be Web3's North Star

Businesses and projects are increasingly scrutinized for their societal impact, compelling founders and CEOs to confront pressing challenges. The Web3 space is no exception; here, the broader impact is also in the spotlight, raising urgent questions of equity, sustainability, and the true purpose of decentralized technology. The rise of Web3 is not just a technological revolution; it presents a rare opportunity to shape a more equitable world. However, if we're not intentional, this potential for positive impact could be lost to the same pitfalls of previous eras—where wealth, power, and resources concentrate in the hands of a few, leaving vulnerable communities behind. After all, the hopes for the internet's equalizing effect on access to information, society, and democracy have been expressed widely. The fourth industrial revolution requires more than technological solutions.

It demands a fundamental shift in approach—a commitment to principles that place public good at the core of Web3 projects. We must resist the lure of technological determinism, the notion that tech alone can solve complex societal issues (Nabben, 2023). This belief overlooks critical social, political, and economic factors, and risks exacerbating inequities if we rely solely on tech to lead the way. Indeed, The Tony Blair Institute and research warn us that technocratic approaches often fail to address the human realities that sustain technological ecosystems (Nabben, 2023). This oversight is evident in early Web3 projects that have already mirrored centralized power structures or worse, exploited vulnerable populations under the guise of innovation.

The challenge, then, is clear: how can we create a Web3 ecosystem that is truly equitable, inclusive, and resilient? How can we avoid widening the digital divide and instead use decentralized technology to bridge it? To avoid widening the digital divide and instead use decentralized technology to bridge it, we must prioritize inclusive access by designing user-friendly platforms, providing education and resources for underrepresented communities, and fostering collaboration among stakeholders to create equitable opportunities that empower individuals and promote digital literacy for all. If left unchecked, Web3 may well become another exclusive system where only those with resources and tech literacy prosper (O'Dwyer, 2020), (Manski 2017). To truly break this cycle, we must make public good our guiding principle.

What does “public good” mean in Web3? It means creating systems that prioritize social well-being, inclusivity, and equitable access. Projects that root themselves in these values can become agents of real change, addressing the needs of historically underserved communities and fostering a more inclusive digital economy. The next decade will likely see digital technology drive more than two-thirds of the new global economic value created (World Economic Forum, 2024), and Web3 has the unique ability to distribute this value more equitably. However, without deliberate effort, DeFi platforms and other Web3 innovations may fall short, becoming exclusive rather than empowering, and driven by market forces rather than community needs.

Consider decentralized finance (DeFi): done right, DeFi can break down financial barriers for the underserved, providing services that traditional institutions have long withheld (The Block, 2022). But if DeFi merely replicates traditional finance structures, allowing wealthier users to manipulate resources and prices, it risks excluding the very individuals it aims to serve. On the other hand, when founded on equitable principles, DeFi becomes more than a financial service—it becomes a pathway to economic empowerment, bridging gaps in financial inclusion.

The importance of public good extends even further, touching on issues like public health, climate resilience, and social inclusion. The World Health Organization (WHO) and frameworks like the Health Impact Pyramid emphasize that tackling socioeconomic factors has immense potential to improve population health and well-being. Web3 can drive these same societal benefits if it prioritizes inclusivity and equity.

Projects that take into account the social determinants of health, economic resilience, and the broader digital divide can do more than just enhance technology—they can uplift entire communities. The ***Proof of Good Framework*** provides the hands-on guidance that Web3 founders need to ensure projects benefit society at large, rather than a privileged few. By embedding principles into Web3, we can design systems that transcend tech trends, becoming powerful tools for social equity, global well-being, and lasting positive impact. This framework goes beyond profit metrics, urging founders to ask hard questions: Who benefits from our success? Are we transparent and inclusive in governance? Are we aware of the unintended micro-struggles that may surface in our projects?

Technology is faster than regulation, and governments and organizations across the world are working on clearer regulations that (hopefully) foster innovation. But, we cannot afford to replicate the mistakes of the past, where technology moved faster than society’s ability to control its outcomes. Regulation requires a careful balance: while Web3 builders can take initiative by following ethical principles, full self-regulation may fall short, as what benefits a Web3 project may not always align with the broader interests of society. However, this is an important moment in the development of Web3 technology. By embracing Proof of Good principles, we have the chance to make Web3 more than just a tech movement, building an ecosystem that genuinely serves the public good.

KEY QUESTIONS FOR PROOF OF GOOD

The following 11 considerations should be taken into account to determine whether a project in the Web3 space, along with its products or solutions, is truly benefiting the public good and making a positive societal impact.

Who Benefits from the Project's Success?

Success should not be measured solely in financial terms when considering how to create a better world. It's essential to evaluate whether a platform primarily benefits founders and investors or genuinely delivers value to users and communities. For a Web3 project to be truly successful, it should empower end-users and create a positive societal impact, rather than just enriching a small group of early adopters.

Red flag:

If decision-making is concentrated in the hands of founders, early investors or large token holders, the project may prioritize profit over the well-being of society.

Key question for Web3 Projects:

"As a founder, how can I put myself in the shoes of my users and envision what success looks like from their perspective? Would the structure or features of our project be different if I, or the governing forces, were different or removed from the equation?"

Example:

Imagine a Web3 social media platform designed to enhance community engagement. Instead of focusing solely on profits for developers and investors, the platform could adopt a governance model that encourages user participation in decision-making. Using surveys, forums and polls and giving incentives to participate can help to identify important issues. By reflecting on what users truly need—such as privacy, user-friendly interface, support—the founder might discover that a more equitable structure, where user voices are prioritized, leads to a more valuable and enriching experience. This shift in perspective not only aligns the project with societal benefits but also ensures that its success is measured by the positive impact it has on its users and communities.

Is the Governance Model Transparent and Inclusive?

Not all Web3 projects need to be fully decentralized from the start. Early-stage projects often need centralized governance to navigate growth. However, the process should remain transparent and open to feedback from members in the community who are invested in the project.

Red flag:

If decision-making is opaque or controlled by a few insiders without room for community input, the project risks losing the flexibility needed for societal alignment. Furthermore, while community input is essential, it must be balanced with leadership that understands the project's long-term vision and risks.

Key question for Web3 Projects:

"How can we balance centralized governance with transparency and community involvement to ensure that our decision-making process remains inclusive and aligned with our long-term vision?"

Example:

A startup building a decentralized marketplace publishes its roadmap on GitHub. They allow community members to comment on key decisions through an open feedback channel on Discord. While the core team retains decision-making authority, they hold quarterly community votes on specific features, such as prioritizing certain product updates or integrations.

Are There Micro-Struggles Within the Project?

Micro-struggles—internal conflicts among developers, investors, and team members—are common in any project, but they can highlight deeper issues related to balancing profit motives with social responsibility. Identifying these struggles is essential, as they can reveal whether the project is genuinely committed to long-term societal goals or merely chasing short-term gains.

Red flag:

If internal conflicts consistently favor profit over inclusivity, sustainability, or ethical considerations, it may indicate a misalignment with the project's mission to create a positive societal impact.

Key question for Web3 Projects:

"What practices can we implement to foster an environment where team members feel comfortable voicing their concerns, not only in matters of social responsibility, but on all issues in the project?"

Example:

A Web3 gaming startup encounters a conflict between developing a potentially lucrative NFT marketplace and investing in game mechanics that enhance the user experience. To address this, the team implements regular "mission alignment" meetings where they openly discuss short-term decisions and assess how they align with the project's long-term vision of inclusivity and community engagement. By cultivating an open environment that encourages honest dialogue, team members feel empowered to voice their concerns and suggestions, helping to identify any hidden micro-struggles and ensuring that everyone's input contributes to shaping the project's future.

Is There Flexibility and Commitment in the Project's Vision?

Being flexible in a project's vision can be helpful because it allows for changes and adjustments, especially when trying to find the right audience for the product. However, this flexibility should still support the project's main goals for society. Even if a project's vision changes over time, its dedication to benefiting the public should stay strong if that is its focus.

Red flag:

If stakeholders frequently pivot on the project's fundamental purpose it may indicate that the project is straying from its broader benefits to society.

Key question for Web3 Projects:

"How can we ensure that our evolving project vision remains aligned with our commitment to the public good while adapting to changing market conditions?"

Example:

A decentralized social network initially focused on privacy decides to introduce optional advertising features to sustain the platform. To ensure this change aligns with the public good, they poll users on whether ads should be included and introduce opt-in privacy controls that empower users to block ads if they prefer. This maintains their commitment to user privacy while adapting to financial sustainability.

Does the Project Promote Inclusivity and Equity?

Inclusivity goes beyond just who uses the platform; it also encompasses who builds it. Projects with diverse teams tend to perform better because they incorporate a broader range of cultural values and perspectives. It's essential to evaluate whether the project team reflects different cultures, genders, and socioeconomic backgrounds.

Red flag:

A lack of diversity within the team, coupled with services that primarily benefit wealthy or tech-savvy individuals, suggests that the project is not adequately addressing global needs.

Key question for Web3 Projects:

"What strategies can we implement to ensure our team is diverse and representative, and how can we actively engage underrepresented communities in both the development and usage of our platform?"

Example:

A decentralized art platform, run by a small team, partners with local art communities in underserved regions to onboard artists onto their platform. They conduct monthly virtual workshops to teach artists in these regions how to create and sell NFTs, using free tools like Zoom. This helps diversify the art pool and ensures that different communities benefit from the platform.

What's the Project's Environmental Impact?

While proof-of-stake and energy-efficient blockchain solutions are reducing environmental concerns, Web3 teams should also focus on their global travel footprint and broader sustainability efforts. A project's impact goes beyond its technology to how its team operates globally.

Red flag:

A project that neglects its environmental impact, even indirectly—such as through choices around team behaviors, like the modes of transportation used—demonstrates a disregard for broader societal goals. Sustainability in Web3 isn't just about the technology itself but also about how the project operates in the real world. These behaviors reflect a project's commitment to long-term social responsibility and the global need to minimize environmental footprints.

Key question for Web3 Projects:

"How can we assess and mitigate our project's environmental impact beyond technology, including team operations and travel choices, to demonstrate our commitment to sustainability and social responsibility?"

Example:

A Web3 startup working on blockchain-based supply chain solutions minimizes team travel by conducting all meetings remotely. Additionally, they encourage their team to work from home, reducing the company's carbon footprint from commuting or office usage. The startup also opts for carbon-neutral cloud hosting through platforms, which offsets emissions at no extra cost to the startup.

How Are Users' Privacy and Data Handled?

While privacy is a cornerstone of Web3, many projects still rely on centralized cloud providers, which pose privacy risks. While data sovereignty is important, it should also be practical for the project's goals. Balancing control and accessibility is key.

Red flag:

If user data is centralized, sold without consent, or managed by platforms that undermine privacy, the project risks repeating Web2's pitfalls, where data exploitation became widespread. Using centralized services can further compromise privacy, introducing third-party control over user data. This not only erodes user trust but also contradicts the core principles of decentralization that Web3 promotes. A project that doesn't prioritize data sovereignty and transparency risks undermining both privacy protection and its long-term credibility.

Key question for Web3 Projects:

"What measures can we implement to ensure that user privacy and data are handled transparently and securely, while balancing data sovereignty with the practical goals of our project?"

Example:

A Web3 freelance platform takes user privacy seriously by only collecting essential information, such as a username and wallet address, which aligns with the European Union's framework for data and privacy protection principle of data minimization. It uses a system called IPFS (InterPlanetary File System) to store important documents in a decentralized way, meaning that files are spread across multiple computers instead of being kept on a single server. This enhances security and keeps the platform true to its decentralized values. Additionally, users can choose to share optional information, like personal preferences, and can easily delete it whenever they want, giving them greater control over their data. For founders, implementing these practices not only builds trust with users but also ensures compliance with GDPR standards, reinforcing the core principles of Web3.

How Does the Project Foster Collaboration for Public Good?

Collaboration is integral to Web3's potential to benefit society at large. By fostering decentralized, interoperable platforms, Web3 projects can enable collective problem-solving, shared resources, and cross-platform innovation, which are all essential for creating lasting public good. When projects emphasize openness and compatibility, they empower diverse communities to work together seamlessly, making it easier to address complex challenges that no single entity could tackle alone. True decentralization in Web3 facilitates not only independence but also interdependence, enabling mutually beneficial collaborations that drive both innovation and societal progress. Projects should ideally expand their focus beyond the specific blockchain they are building on and consider developing multi-chain solutions. This approach enables them to reach a wider audience and create a greater impact compared to more siloed solutions.

Red flag:

Projects that operate in isolation or limit compatibility with other platforms miss opportunities for broader impact. If a project builds a walled garden that restricts interoperability, it risks perpetuating exclusivity rather than enhancing community benefit. Lack of collaboration can hinder the project's relevance and reduce the potential for widespread social impact, limiting the project's utility and undermining the foundational principles of Web3.

Key question for Web3 Projects:

"How can we design our project to encourage collaboration with other platforms and communities, fostering a system that prioritizes public good and encourages resource sharing?"

Example:

A Web3 health initiative creates a decentralized data-sharing platform for medical research, ensuring all research institutions can securely access and share non-identifiable patient data to advance treatments for rare diseases. The platform uses smart contracts to maintain privacy and verify data integrity across institutions, promoting both security and transparency. By enabling researchers, hospitals, and patients worldwide to work collaboratively, this project reduces redundant research efforts, accelerates medical breakthroughs, and democratizes access to critical health information. This collective approach ensures that advancements in medical knowledge benefit all stakeholders, reinforcing Web3's promise of public good through open, cooperative innovation.

How Does the Project Impact the Digital Divide and Access to Education?

Web3 can play a significant role in bridging the digital divide by promoting equitable access to technology and digital resources. This divide often arises from socioeconomic factors that restrict certain communities' engagement with technology, exacerbating existing inequalities. Web3 projects can directly address these barriers by fostering digital inclusion and empowering marginalized groups. Moreover, even non-educational projects can have a substantial impact on the digital divide by enhancing access to information and community engagement.

Red flag:

Projects that neglect accessibility or cater solely to affluent users raise serious concerns about their long-term societal impact. If a project creates barriers for low-income individuals or those with limited technological literacy, it risks worsening the digital divide instead of alleviating it.

Key question for Web3 Projects:

"How can we enhance our project's impact on the digital divide by ensuring equitable access to technology and education and empowering underserved communities?"

Example:

A Web3 platform that provides decentralized financial services can actively work to bridge the digital divide by implementing user-friendly interfaces available in multiple languages, making the platform accessible to a diverse audience. To further promote inclusivity, the platform could organize community meetups and online webinars. In addition, the platform might launch a resource hub containing articles, tutorials, and videos on basic financial literacy and the use of DeFi tools, all designed to be easily understandable for users with varying levels of technological proficiency.

How Does the Project Identify and Address Potential for Misinformation and Fraud?

Addressing misinformation and fraud is essential for building trust in Web3 projects. Implementing clear guidelines and transparent practices can help projects maintain credibility and accountability, regardless of their specific application. Web3 projects can ensure that marketing content is fact-based and avoids exaggerated promises. This means focusing communications on concrete achievements and transparent progress updates rather than speculative language, which reduces hype-driven misinformation that often circulates in the Web3 space. Projects might also adopt a "roadmap transparency" policy, where milestones are clearly outlined and realistically scheduled, helping the community see measurable progress.

On the technical side, transparent coding practices can further enhance trust. Open-sourcing code, when possible, invites community review, which helps uncover potential vulnerabilities, increasing both security and transparency. In cases where open-sourcing isn't feasible, projects can publish security audits and regular progress updates on code development to reassure users of the project's integrity. Clear and accessible documentation, along with explanations of any security practices, empowers users to make informed decisions and trust the system.

Red flag:

Projects that rely on hype-heavy marketing, obscure their code, or lack clear community guidelines may become vulnerable to misinformation. Exaggerated promises and lack of transparency can lead to unrealistic expectations and quickly erode user trust.

Key question for Web3 Projects:

"What steps can we take to ensure that our marketing, code transparency, and community guidelines promote accuracy, reliability, and user trust?"

Example:

A Web3 project sets a policy to publish regular, fact-based updates on milestone achievements, including details on completed features and upcoming steps. To address security transparency, the team provides security audits and makes its codebase open for review, enabling the community to inspect and verify the platform's integrity. Additionally, a news or education platform can implement a "verified contributor" badge to indicate that certain writers or sources have been authenticated, signaling to readers that these contributors meet reliability standards.

How Does the Project Impact on Well-Being and Public Health?

Web3 can influence public health not only through healthcare-focused projects but also by addressing broader social determinants of health, such as equity, mental well-being, and sustainability. Even projects outside the healthcare space can also impact public health indirectly by promoting behaviors that affect overall well-being. This might include how the project affects mental health, digital inclusion, or even financial stability.

For instance, the health and well-being of the team, investors, and community members involved in the project should be considered. Does the project foster healthy, supportive environments, or is it built around addictive and high-risk models, such as speculation or gambling? Projects that prioritize sustainable growth, equity, and community well-being are more likely to contribute positively to public health.

Red flag:

Projects that create unhealthy mental environments, whether through toxic work cultures, community stress, or the nature of their services (e.g., gambling or speculative models), raise serious concerns about their long-term societal impact. Prioritizing healthy practices and creating environments that support mental well-being is essential for any project claiming to contribute to the public good.

Key question for Web3 Projects:

"How can we enhance our project's impact on public health by fostering supportive environments and promoting behaviors that contribute to the well-being of our team, users, and community?"

Example:

A Web3 startup building a blockchain-based education platform integrates mental health breaks into their virtual classroom sessions, encouraging learners to take short breaks after every hour of learning. For the team, they will benefit from having a corporate health policy. A corporate health policy for a Web3 project should prioritize mental health support, flexible work arrangements, and health benefits to foster a healthy and productive work environment. Additionally, fostering an inclusive culture and, when feasible, offering wellness programs can further enhance team engagement and overall well-being.

10 COMMANDMENTS FOR CREATING A BETTER WORLD THROUGH WEB3

To make the Proof of Good framework more accessible and actionable, projects can follow key principles that emphasize human-centered values and sustainable practices. Adopting these tenets helps Web3 initiatives stay mission-focused, build supportive communities, and foster inclusivity. These guiding principles empower teams to make ethical decisions that not only drive their goals but also create a positive societal impact.

1. **Put people first:** Prioritize user feedback through surveys or community channels to ensure the product solves real user needs.
 2. **Commit to transparency:** Complete and share regular, easy-to-read updates on your project's governance and progress.
 3. **Prioritize diversity:** When hiring, make use of free job boards and focus on diverse candidates even in small hiring rounds.
 4. **Balance profit and purpose:** Start small by allocating a portion of your startup's tokens or revenue to a cause aligned with your mission (e.g., donating to environmental projects or community initiatives).
 5. **Ensure long-term vision:** Keep your vision front and center with a simple one-sentence mission that guides all decisions.
 6. **Foster healthy communities:** Encourage work-life balance among your team, and be mindful of creating a supportive and non-toxic user community.
 7. **Minimize environmental impact:** Reduce travel, operate remotely, and consider small investments in carbon offset programs or eco-friendly hosting.
 8. **Protect privacy:** Keep user data collection minimal and prioritize decentralization where it makes sense for your budget.
 9. **Promote equity:** Engage with underrepresented groups through outreach, partnerships, and inclusive hiring practices—even in small ways.
 10. **Be adaptable, but stay grounded:** Stay flexible, but always review whether changes align with your core mission and values.
-

GUIDANCE FOR WEB3 FOUNDERS: APPLYING THE PROOF OF GOOD FRAMEWORK

The Proof of Good Framework is a useful guide for early-stage Web3 projects, helping ensure that new technologies promote fairness, sustainability, and values centered around people. Each part of the framework has a specific focus, although not every question or issue will be relevant for all Web3 projects. This flexible approach adapts to the unique challenges and goals each project may face. Applying the framework with a long-term perspective is key to building a lasting impact, and its questions can spark important conversations about how projects affect society.

Commitment to ethics and openness builds a foundation of trust with users and team members, forming the basis of a supportive community that believes in the project's goals.

Creating an inclusive environment brings valuable opportunities. Welcoming different perspectives introduces new ideas that can strengthen the project and ensure it better serves a wide range of people. Inclusivity not only expands the project's reach but also leads to solutions that benefit everyone—not just those who are tech-savvy or well-connected—creating space for true innovation.

The Proof of Good framework emphasizes that social impact and financial success can go hand in hand. By focusing on sustainability, fairness, and user well-being, a project can become more than just a business—it can grow into a movement that creates real, lasting change. Considering the long-term impact of new technology highlights the responsibility and potential that projects have in shaping the future.

Staying dedicated to ethical practices and inclusivity builds a strong foundation and can inspire others to work toward a more fair and people-centered Web3. Grassroots efforts play a powerful role in creating social change, and together, these efforts can help build a Web3 environment where technology enhances lives and promotes a fairer future for all.

REFERENCES

- Manski, B. (2017). Building the blockchain world: Technological commonwealth or just more of the same? *Big Data & Society*, 4(1), 1-7.
- Nabben, K, 2023., Web3 as 'self-infrastructuring': The challenge is how., Sage Journals., <https://journals.sagepub.com/doi/10.1177/20539517231159002>., accessed on the 30 Nov 2024.
- Nabben, N. 2023., Beyond markets and hierarchies in decentralised autonomous organisations. *Journal of the British Blockchain Association*, 5(2).
- O'Dwyer, R. (2020). The revolution will (not) be decentralised: Blockchains. *London Review of Books*, 42(14), 22-23.
- The Block (2022). *The DeFi Ecosystem Report*. Available at: <https://www.theblock.co> (Accessed: 1 November 2024).
- Tony Blair Institute for Global Change, 2022., G, Johnson., Will Web3.0 Secure a Democratic Future?., <https://institute.global/insights/tech-and-digitalisation/will-web-30-secure-democratic-future>., accessed on the 30 Nov 2024.
- T, R. Frieden., 2010., A framework for public health action: the Health Impact Pyramid., *Am J Public Health*., Apr; 100(4) 590-595., <https://pmc.ncbi.nlm.nih.gov/articles/PMC2836340/>., accessed on the 30 Nov 2024.
- World Economic Forum, 2024., Emerging Technologies, AI and the expanding 'digital economy' will help bridge global divides. Here's why, [How to end global divides through AI and a digital economy | World Economic Forum](https://www.weforum.org/articles/emerging-technologies-ai-and-the-expanding-digital-economy)., accessed on the 1 November 2024.
- World Health Organization, 2024., Social determinants of health., https://www.who.int/health-topics/social-determinants-of-health#tab=tab_1., accessed on the 30 Nov 2024.

ACKNOWLEDGEMENTS

As the creator of this framework, Henrik Beyer aims to provide early Web3 projects with a blueprint for building technologies that prioritize human-centered values, equity, and sustainability. This work serves as a guide for founders seeking to make a meaningful impact in the Web3 landscape. I also acknowledge a key contributor, Alexandra Overgaag, for her contributions and insights that have significantly shaped this framework.

CONTACT

www.cryptobeyer.com
henrik@cryptobeyer.com

 CRYPTOBAYER

Sweden, 2024