

ROKO DAO GOVERNANCE: REVIEW AND SYSTEM IMPROVEMENTS

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September 15th, 2024

Key Highlights

- Roko DAO currently operates under a single-token, monocameral governance system with straightforward 1:1 voting mechanisms. The existing model can be improved to prevent possible future centralization of power, and further enhance participation and trust within the community
- We propose the introduction of a DAO Constitution, a multi-token and multicameral governance system that includes non-transferable voting tokens, reputation NFTs, and donor recognition tokens, and the establishment of specialized working groups with role-based voting to optimize for efficiency and optimal decision-making
- The new proposal framework introduced focuses on preventing plutocratic influence and rewarding quality contributions, using mechanisms like weighted voting and a role-based governance structure
- The proposed architecture improvements aim to create a resilient, fair, and participatory governance environment that aligns with Roko DAO's mission and adapts to the community's needs through the use of modern governance tools such as Agora and Boardroom

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1. Overview

This report presents recommendations for a new governance architecture for Roko DAO, designed to resist plutocratic influence and ensure that power within the DAO remains

balanced, free from disproportionate sway by external forces such as wealth, time, or coercion. Recognizing that core contributors are community members who are not formally bound to the project, the architecture also aims to incentivize various types of contributions, rewarding factors like quality, degree of participation, and loyalty to the project.

The proposed architecture integrates innovative mechanisms such as weighted voting, role-based governance structures, and a multi-token framework to distribute voting power more equitably based on multiple factors. Given that Roko DAO and the Roko token are already operational, this report places significant emphasis on clearly defining their roles within the governance framework, detailing the rights and responsibilities of token holders, particularly concerning governance decisions and the ways in which they can actively engage with the system.

2. Current Governance

Roko DAO serves as the decentralized governance framework that oversees the Roko Network. Presently, it functions primarily as a mechanism for coordinating community decision-making related to product development and resource allocation. While effective in its current role, Roko DAO aspires to evolve by incorporating more advanced governance strategies, particularly to facilitate grant offerings aimed at onboarding new developers to the network and effectively drive the product development roadmap going forward.

Architecture

Roko DAO operates under a single-token, monocameral governance system. This system allows all token holders to participate in governance by writing, publishing, and voting on proposals via Snapshot.org. Voting power is distributed in a straightforward manner where each Roko token equates to one vote, following a single-choice voting mechanism. The total participation registered within Roko DAO so far has been 111 participants with a total of 33 proposals submitted or an average of 8.25 proposals per wallet. Of these 33 proposals, 32 passed and 1 failed. The most heavily voted proposal to date was the "[Roko Edge Hardware Proposal](#)," which saw 34 billion tokens cast in favor and 30 billion tokens against.

The average voting power within the DAO is approximately 13.6 billion tokens which at the current Fully Diluted Valuation (FDV) of \$6,000,000 equates to \$217,000 in voting power.

Considerations

The existing governance model has been functional but has room for improvement, particularly in enhancing participation and trust. The single-token, single-choice voting system, while

straightforward, can be susceptible to centralization of power and voting manipulation. This could diminish the inclusivity and fairness of the decision-making process.

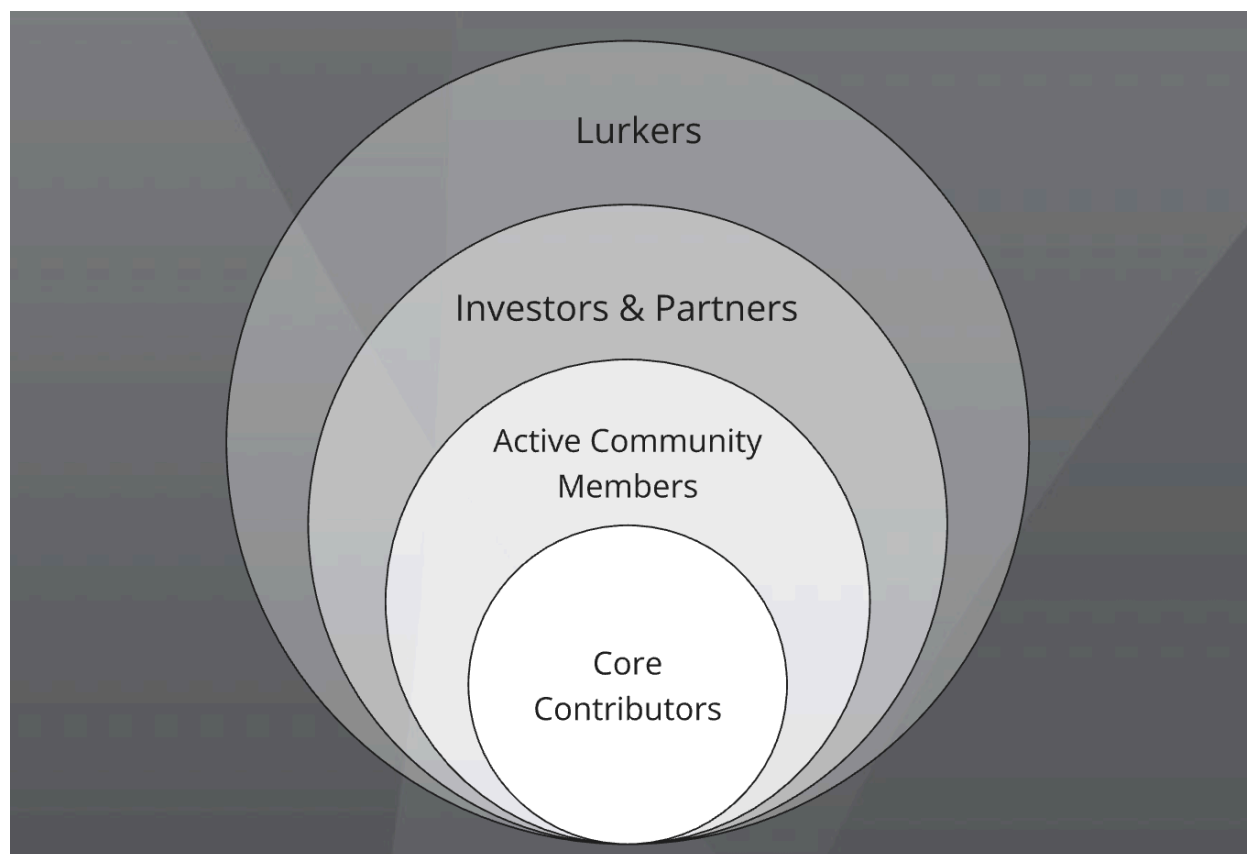
To address these concerns and support the DAO's growth ambitions, including the introduction of a grant program, Roko DAO shall consider transitioning to a more sophisticated governance structure. This includes implementing multi-token systems, weighted voting, and role-based governance to better distribute power and mitigate the risks of centralization. Enhancing the governance architecture will also encourage broader participation and foster a more resilient, trust-driven community. More below.

3. Governance Improvements

The governance framework of Roko DAO is built on the imperative to establish a system that balances efficient decision-making with the preservation of the core values that define the project and community. In an environment where decentralized systems can be susceptible to the undue influence of wealth, Roko DAO aims to construct a governance model that is both resilient to these pressures and conducive to active, meaningful participation within the ecosystem.

Stakeholders Analysis

Prior to proposing a robust governance model, it's imperative to understand the various groups involved in Roko DAO and to develop the right governance approach. The concentric visualization map below present all RokoDAO stakeholders and provides insights into how governance power and engagement can be distributed and targeted more effectively:



Core Contributors represents individuals who have the most influence and are deeply involved in daily operations, decision-making, and governance. They include DAO founders, full-time contributors, project leads, and core developers.

Active Community Members are members who regularly participate in voting, discussions, and proposal submissions but may not be involved in daily operations. They include regular DAO voters, active proposal creators, and discussion leaders.

Investors and other important stakeholders are Individuals or organizations that provide financial backing or significant support. While their engagement in governance might be limited, they have a significant interest in the DAO's success. These could be token holders with significant financial investments, donors with ERC1155 tokens, and institutional investors.

Last but not least, there are Casual Members and Lurkers which include passive participants who may hold tokens but do not actively engage in governance or discussions. They could become more involved in the future or serve as potential contributors. These include token holders who do not vote frequently, community members who read updates but do not actively participate.

Constitution Framework

Additionally, it's important to establish a DAO Constitution and enforce proper mechanisms for governing its development and handle dispute resolution to safeguard the DAO's values while mitigating conflicts. Here we recommend forming a dedicated body or working group tasked with overseeing compliance will enhance the governance role of the DAO.

A suggested DAO Constitution framework shall include the following sections:

1. A preamble to outline the overarching mission, vision, and core values of the DAO.
2. Purpose and Objectives providing a detailed description of the DAO's goals and objectives.
3. Membership to define the process for joining, leaving, and participating in the DAO. Each role shall have its own criterias.
4. Governance Structure to define the governance model, including the decision-making process and governance bodies, including but not limited to proposal submission process and voting system.
5. Decision-Making and Voting shall define the types of proposals and their respective voting systems
6. Conflict Resolution shall provide a mechanism for resolving disputes within the DAO
7. Treasury and Resource Allocation can help define how funds and resources are managed, including the process for approving expenditures.
8. Amendments to the Constitution will outline how the Constitution can be updated or amended over time.
9. Transparency and Auditing can help define the transparency standards and audit processes for the DAO's operations
10. Termination and Dissolution will define the process for dissolving the DAO, if necessary.

Multi-Token Governance

- **Non-Transferable ERC20 (pwROKO)**
By implementing a modified ERC20 token that is non-transferable and serves as the primary voting token within the DAO, Roko can incentivize locking tokens to increase TVL. This token, known as pwROKO, is generated when users stake their Roko tokens through a staking contract, converting them at a 1:1 ratio. PwROKO tokens are essential for participating in governance decisions, with holders having exclusive voting rights. Users shall also be able to delegate their voting power or unstake their pwROKO, converting it back to Roko at any time.
- **Soulbound Tokens (Reputation NFTs)**
To capture and recognize the contributions of community members, Roko DAO shall employ non-transferable tokens (SBTs) based on either a customized ERC721

implementation or the ERC5727 standard. These tokens will reflect a user's activity and contributions within the community, allowing the DAO to gauge engagement levels. SBTs can be awarded based on various criteria, such as participation in DAO voting, involvement in community discussions, or successful proposal reviews. Voting power can also be tied to the quantity and quality of SBTs held by a user.

- **ERC1155 (Donor Recognition)**

To differentiate between time/quality contributions and financial contributions, Roko DAO shall consider issuing ERC1155 tokens to members who donate to the network. These tokens can be constructed to create 3 distinct tiers of donations, each offering specific benefits, such as invitations to in-person workshops, acknowledgment on the DAO's website and opportunities to co-design products with the core team.

As Roko DAO evolves and begins to distribute grants, this multi-token system will provide the DAO with deep insights into its community members and help Roko identify loyal and engaged community members. To further simplify interactions with these tokens, reduce friction and enhance participation, we recommend incorporating ERC4337 account abstraction.

Multicameral System

- **Working Groups**

As mentioned previously in this report, establishing specialized working groups by electing community members can help RokoDAO handle specific aspects of day-to-day operations. These community members will reunite in Working Groups and have the authority to make decisions and allocate funds within their designated areas, reducing the need for every decision to be passed by the entire DAO. Each working group must operate in alignment with the Roko DAO Constitution and the overarching goals of the DAO and must appoint stewards to oversee main operations.

- **Proposals Classification**

The DAO shall implement a role-based voting system through a multicameral governance structure. Proposals can be categorized according to their nature and scope, with different voting strategies per proposal and voting rights restricted to members who hold relevant roles. For example, system-level proposals should employ weighted voting where core contributors and reputation token holders have more influence, while community-driven proposals could use a simple majority system to encourage widespread participation. Proposal types may include:

CODE	PROPOSAL TYPE	DETAILS	VOTING STRATEGY	QUORUM
SP	SYSTEM PROPOSAL	High-level changes impacting the foundational structure and operations of the DAO, including governance, voting frameworks, and treasury management.	Weighted Voting using	Supermajority required for significant structural changes and minimum participation from 5-10% of total tokens in circulation
CP	COMMUNITY PROPOSAL	Initiatives focused on internal community operations and tactics that require rapid decision-making and do not necessitate a full community vote.	Simple Majority	Simple majority (50% + 1 vote) for approval and low participation requirement such as 2-4% of total tokens in circulation
FP	FINANCIAL PROPOSAL	Proposals that allocate funds or issue grants to teams, projects, or community initiatives	Quadratic Voting	Majority required for approval, but with weighted influence from small holders. Moderate participation such as 3-7% of total tokens in circulation
IP	IMPROVEMENT PROPOSAL	Proposals aimed at enhancing or refining previously executed initiatives.	Delegated Voting or Simple Majority	Each IP follows the rules of the proposal it aims to improve.

CORE	CONSTITUTIONAL AMENDMENT	Proposals that seek to alter the Roko DAO Constitution.	Time-Weighted Voting	Constitutional Amendments require a supermajority to pass, and a high participation such as 10-15% of tokens in circulation
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Each proposal type can have customized quorum thresholds and voter eligibility, ensuring that decisions are made by the most relevant and informed participants.

4. Toolings

As the landscape of Decentralized Autonomous Organizations (DAOs) continues to evolve, the integration of governance tools has become increasingly sophisticated. Roko DAO can leverage this advanced toolkit to manage discussions, delegations, and voting within a unified social environment. Based on our expertise, we recommend experimenting and utilizing the following platforms:

[Boardroom](#)

Boardroom offers a comprehensive suite of custom governance tools tailored for DAOs. This platform allows you to build custom dashboards that integrate seamlessly with existing tools and voting processes within your DAO framework. By centralizing governance activities, Boardroom helps streamline decision-making and enhances the overall efficiency of the DAO's operations.

[Agora](#)

Agora is a new, robust, end-to-end governance platform designed specifically for Web3 protocols looking for an encompassing solution for DAOs. It provides advanced features such as customizable proposal types and delegation tools, allowing for a more nuanced approach to governance. Agora's flexibility makes it ideal for DAOs that require tailored governance structures and processes.

[Tally](#)

Tally is a platform designed for fully on-chain DAOs, offering tools for voting on proposals, delegating tokens, and viewing the voting history of delegates. All transactions on Tally, whether for voting or delegation, are executed on-chain and incur gas fees. This platform is particularly recommended for DAOs that prioritize traceable, tamper-proof voting processes, ensuring the integrity and transparency of governance activities.

Snapshot

Currently used for RokoDAO, this tool prioritizes off-chain voting to offer a seamless voting experience without incurring gas fees, making it ideal for non-critical or preliminary voting activities. Snapshot's ease of use and flexibility make it a popular choice for DAOs that need a lightweight solution for community voting.

Discourse

Discourse is a platform designed to host and facilitate in-depth discussions around proposals. It provides a structured environment for community members to engage in debates, share insights, and collaboratively refine proposals before they go to a vote. Discourse complements other governance tools by fostering a culture of open dialogue and collective decision-making.

To summarize, here below is a matrix that highlights the differences between the features:

Tool	Functionality	Best Use Case	Pros	Cons	On chain	Decentr. Level
Boardroom	Customizable governance dashboards for DAOs, integrates seamlessly with other tools and voting processes	Managing discussions, delegations, and voting processes in a unified social environment	Comprehensive suite of custom tools, centralized governance activities, efficiency	Complexity may increase with advanced customization; more suited for larger DAOs	No	3
Agora	End-to-end governance platform designed for Web3 protocols with customizable proposal types and delegation tools	Ideal for DAOs that need tailored governance structures with complex requirements	Robust features, flexibility in governance processes	Can be overkill for simpler DAOs or straightforward governance needs	Yes	4
Tally	On-chain voting platform for DAOs with tools for voting on proposals, delegating tokens, and	Best for high-stakes decisions requiring on-chain governance	Full on-chain traceability, tamper-proof, secure	Requires gas fees for transactions, more complex setup	Yes	5

	traceability of votes					
Snapshot	Off-chain voting platform prioritizing ease of use and cost efficiency (no gas fees)	Lightweight, non-critical votes where gas costs need to be avoided	No gas fees, easy to use, widely adopted	Not on-chain, making it less secure for important votes	No	2
Discourse	Discussion platform facilitating in-depth debates around proposals	Pre-voting discussions, proposal refinement, and community engagement	Encourages open dialogue, structured environment for debates	Internal polling system, not integrated with actual voting tools, used more for conversation than decision-making	No	1

5. Conclusion

The governance architecture outlined above is designed to foster a fair, effective, and participatory environment within Roko DAO. By enshrining core values in the DAO Constitution, employing a multi-token system to recognize and incentivize contributions, and establishing a clear separation of powers, Roko DAO can build a resilient governance structure that upholds its mission while adapting to the evolving needs of its community.

We also suggest distributing voting incentives from time to time and maintain a high-degree of transparency when communicating to the community. Implementing regular third-party audits, automated on-chain auditing, and publishing transparency reports can bolster confidence in the governance process and improve participation.

Additionally, displaying voting participation metrics and offering bonuses to active members can drive greater community involvement. We recommend taking some time to play with some of the new governance tools as those will be essential to support these initiatives and will ensure that Roko DAO's governance remains robust, adaptive, and community-driven.