

This is the second and last report of the Experimental Delegate Incentive Program, in compliance with the proposal approved at [Tally](#).

TL;DR

- There has been a steady increase in the number of registrations and the number of delegates eligible to participate in the program, with a 16.2%

increase in the number of participants and a 21%

increase in the number of registrations between the first 3 months of the program and the last 3 months of the program.

- DAO activity has remained fairly high. From the beginning of 2024 until August 2024, there has been an average of 24 monthly submissions (Snapshots + Tally) or 1 submission every day and a half

.

- During the 6 months of the Delegate Incentive Program, all Snapshot and Tally votes were analyzed. In Tally, 20 votes were observed with an average of 164.75M VP

, an increase of 2M VP

over the previous 6 months. In Snapshot, 161

votes were considered with an average of 151.12M VP

, an increase of 4M VP

compared to the previous 6 months without the program.

- We have found that of all the DAO delegates, only 0.63%

of them represent approximately 98%

of the total VP of each proposal, providing a decisive influence in the voting.

- As with the previous report, we are careful to note the increase in Quorum since in the last Constitutional votes it has been slightly exceeded.
- The data shows an increase in delegate participation between the first 3 months of the program and the last, with an average over the 6 months of 80%

TP.

- The summary of total program costs has been positive, resources have been well managed, which has allowed an extension of 2 more months of the program.

Resources

During these months, we have published the results and expenditures of the program, publicly available on the forum so that any delegate can verify the information. The complete list is provided below:

Test: We conducted 3 tests in the months before the program launch:

- [Test 1](#)
- [Test 2](#)
- [Test 3](#)

Results: Monthly results of the program:

- [Delegate Incentive Program March Results](#)
- [Delegate Incentive Program April Results](#)
- [Delegate Incentive Program May Results](#)
- [Delegate Incentive Program June Results](#)

- [Delegate Incentive Program July Results](#)
- [Delegate Incentive Program August Results](#)

Mid-term program report:

- [From Engagement to Rewards: A Comprehensive Analysis of Participation and Incentives](#)

Payment distribution:

- [Delegate Incentive Program: Payment Distribution Thread - #16 by SEEDGov](#)

Summary

The Experimental Delegate Incentive Program was officially [launched on March 1](#) and has been in operation for the past six months. This report aims to show the impact of the program to date and analyze the behavior of participating delegates. This document is a continuation of the first report, which can be found [here](#).

General Aspects

Navigating ArbitrumDAO

As mentioned in the previous report, ArbitrumDAO maintains a high volume of votes, and the trend indicates that this growth will continue:

Voting History:

- Snapshot

: 304

total proposals, averaging 17.82

proposals per month.

- 131

proposals in 2023, averaging 14.5

proposals per month (9 months operational)

- 173

proposals in 2024, averaging 21.5

proposals per month (8 months operational).

- 131

proposals in 2023, averaging 14.5

proposals per month (9 months operational)

- 173

proposals in 2024, averaging 21.5

proposals per month (8 months operational).

- Tally

: 36 total proposals, averaging 2.11

proposals per month (17 months operational).

- 11

proposals in 2023, averaging 1.2

proposals per month (9 months operational).

- 25

proposals in 2024, averaging 3.12

proposals per month (8 months operational).

- 11

proposals in 2023, averaging 1.2

proposals per month (9 months operational).

- 25

proposals in 2024, averaging 3.12

proposals per month (8 months operational).

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The trend suggests that the number of votes on ArbitrumDAO will continue to increase. In 2024, with one month less activity than in 2023, the number of submissions has increased by 39.4%, with a rate of 8.92 more submissions per month (combining Snapshot and Tally) compared to the previous year.

Number of voters

The following data have been extracted from Snapshot and Tally.

Snapshot:

- In 2023: 3,380,028

votes were cast on 131

proposals.

- Average: 25,801

votes per proposal.

- Until August 2024: 1,892,681

votes were cast on 173

proposals.

- Average: 10,940

votes per proposal.

Tally

:

- Until 2023: 366,085

votes were executed on 11

Proposals.

- Average: 33,280

votes per proposal.

- Until August 2024: 215,683

votes were cast on 25

Proposals.

- Average: 8627

votes per proposal.

It is important to note that, although the numbers are high, approximately 25%

of the voters have between 0 and 1 ARB of VP (detailed in the next section). This suggests that they could be bots or “farmers”, although there is no certainty in this regard.

Participation

From the beginning of the DAO until August of 2024, we had 340 proposals, between snapshot voting (304 proposals) and tally voting (36 proposals).

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From the above graphs, we deduce the following:

- In Snapshots 2023, there were a total of 131

proposals, averaging 143.14M VP

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- In Snapshots 2024, there were a total of 173

proposals, averaging 151.35M VP

.

- In Tally 2023, there were a total of 11

proposals, averaging 166.47M VP

.

- In Tally 2024, there were a total of 25 proposals, averaging 162.1M VP

The average Voting Power in Snapshot voting has increased by 8.2M VP in 2024 compared to its 2023 counterpart.

On the other hand, the average Voting Power in Tally has decreased by 4.37M VP in 2024. However, this is positive, as in the previous report the difference was 10M VP (note that in 2024 we are accounting for one month less activity than in 2023):

[From Engagement to Rewards: A Comprehensive Analysis of Participation and Incentives](#)

The average Voting Power decreased to 156.4M (-10M compared to the previous year).

On-chain Votes

Tally votes are the most important as they are binding or execute protocol updates. For this analysis, we have classified voters into ranks according to their % Voting Power (VP):

- 0 - 1
- 1 - 1K
- 1K - 50K
- More than 50K Vp

The following graph shows the percentage of voters by VP rank for each vote:

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It is observed that a high percentage of voters belong to the 0 to 1K VP range. On average, 25.4% of the voters in the proposals are in the 0 to 1 VP range, while 69.7% are in the 1 to 1K VP range. 4.2% of voters are in the 1K to 50K VP range, and only 0.63% are above 50K VP (the latter are those who can participate in the program).

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Delegates in the “Over 50k VP” range contribute the most VPs to the proposals, representing on average 98% of the VPs. The following table shows the number of active and inactive voters within this range for each ballot:

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This reflects that there is a significant number of inactive delegates, with an average of 132 , who have a VP relevant to the DAO.

Quorum

As in the previous report, we call on the DAO to address the issue of quorum. Constitutional-type proposals, which require a high quorum (5% of the voting supply

), have only passed the last two votes by narrow margins of approximately 12M and 16M VP.

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Delegate Incentive Program in Numbers

In this section, we will compare the 6 months of the program with the 6 months prior to its implementation. We will also analyze the last 3 months of the program in relation to the first 3 months. In this way, we will be able to evaluate the impact of the program and explore opportunities for future improvement.

VP Proposals

During the 6 months of the Delegate Incentive Program, all Snapshot and Tally votes were considered to calculate SV and TV parameters (you can see the complete list [here](#)).

Since the beginning of the program, we have analyzed 20

votes in Tally, with an average of 164.75M VP

, which represents an increase of approximately 2M VP

compared to the average of the previous 6 months (with 10 votes). In addition, the difference between the first part of the program and the last part is approximately 10M VP

.

In Snapshot, 161

votes were considered, with an average of 151.12M VP

, representing an increase of approximately 4M VP

compared to the previous 6 months. Furthermore, an increase of 5M VP

on average was observed between the first and second part of the program. Additionally, the same data reflects an increase of approximately 8M VP

between the 2023 average (147.07 VP

) and the second part of the program (155.56 VP

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Participating Delegates

We made a recollection of the data associated to the participation of the users on the Delegate Incentive Program (you can see the full [sheet here](#))

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There has been a steady increase in the number of registrations and the number of delegates eligible to participate in the program, with a 16.2%

increase in the number of participants and a 21%

increase in the number of registrations between the first and last phases of the program. This trend indicates a growing interest of delegates to get involved.

However, the number of delegates receiving incentives - i.e., those with a TP above 60%

- has remained relatively stable over the last 3 months, although it has registered a 25%

increase from the start to the final phase of the program.

Delegate VP and Participation (Snapshot & Tally)

The following table shows the total number of delegates who received compensation considering the test months and the 6 months of the program in operation. In addition, we can also see the total VP amount made up of the sum of all the VPs of the delegates who received compensation per month.

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The average VP during the 3 months of the tests (Dec, Jan, Feb)

was 85.09M

, while in the first 3 months of the program (Mar, Apr, May)

the average was 110.7M

, and increased to 113.56M

in the last part of the program (Jun, Jul, Aug)

. This suggests a growing interest of delegates to receive incentives by participating in governance.

Now the following table presents a calculation of the percentage of participation in the eligible delegates in all the votes that there were per month, both in tally and Snapshot.

To give a little more context, in the elaboration of this table, we first calculated the total number of possible votes by eligible delegates month by month, then we calculated the total number of votes in which the eligible delegates participated. Finally, with this data, we proceeded to calculate the Snapshot and Tally participation percentage of the eligible delegates following the formula:

$\% \text{ Participation} = (\text{Total TN} \times \text{Total RN}) / 100$

You can see more details about these numbers in this sheet's [Elegibles Delegates Participation Section](#)".

Although the participation rate of delegates receiving incentives is high, we cannot yet determine with certainty whether their votes are cast in an informed manner. Our goal is for the program to motivate delegates to vote in a fully informed manner.

With the cumulative VP and participation rate, we can calculate the actual VP contributed by delegates and the percentage they represent of the average VP for each month.

Note: it is important to highlight that the accounting of these calculations only includes the VP contributed by the delegates who received compensation, but not of all the delegates participating in the program, so it should be understood that the total program VP contributed by all the delegates (eligible and ineligible) is higher.

To give more context about the next table, the "Avg. Monthly VP" represents the average of the VP from all Votes per month (or both snapshot and tally), then the "VP Contributed" signifies the sum of all the VP that was voted by eligibles delegates per month. Finally, with these parameters, we calculated a "% Participation" which is the percentage of VP Contributed that were voted by eligible delegates in comparison this the Monthly Average.

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From this table we can conclude a couple of things:

- Snapshot:
 - The average snapshot participation of the 3 test months (Dec, Jan, Feb) was 53.86 %
, then in the first months of the program (Mar, Apr, May) it was 65.89 %
, while the rest of the months (Jun, Jul ,Aug) is 69 %
, which means that there was a quarterly increase in Snapshot participation from Dec 2023 to Aug 2024 of 15.14 %

- The highest participation month was June with 73.99%
- The average total Snapshot VP voted in 6 months was 157.13M
, while the VP contributed by the delegates who are part of the program was 105.93M
, representing 67.45%

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, then in the first months of the program (Mar, Apr, May) it was 65.89 %
, while the rest of the months (Jun, Jul ,Aug) is 69 %
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- Tally

: * The average tally participation of the 3 test months (Dec, Jan, Feb)
was 52.05%
, then the average tally participation of the first 3 months of the program (Mar, Apr, May)
was 65.64 %
, while the rest of the months (Jun, Jul ,Aug)
is 67.48 %
, that means that there was a quarterly increase from December 2023 to August 2024 of 15.43 %
.

- The month with the highest participation was August with 71.24 %
 - Tally's average total VP voted in 6 months was 164.75 M
- , while the VP contributed by the delegates who are part of the program was 108.64 M
, which represents 66.56 %
.

• The average tally participation of the 3 test months (Dec, Jan, Feb)
was 52.05%
, then the average tally participation of the first 3 months of the program (Mar, Apr, May)
was 65.64 %
, while the rest of the months (Jun, Jul ,Aug)
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- The month with the highest participation was August with 71.24 %
 - Tally's average total VP voted in 6 months was 164.75 M
- , while the VP contributed by the delegates who are part of the program was 108.64 M
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Payments Tracking

The following table shows the amount of ARB distributed from March through August and its equivalent in \$ at the time each payment was made to eligible delegates:

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The data in this table can be used to calculate the average total TP since the beginning of the program, as well as the cumulative total ARB spent so far.

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The budget requested at the beginning of the program was ARB 1,580,000

, distributed as follows:

- 1,500,000 ARB for incentives
- 30,000 ARB for the development of Karma
- 20,000 ARB for administrative costs (SEED Latam)
- 30,000 ARB for multisig members

At the time of this writing, 793,882.42 ARB remain in the [multisig](#). Part of this remainder will be used to extend the program for two additional months (September and October). This demonstrates that the program efficiently incentivized delegate participation, without wasting resources, always keeping the DAO's treasury safe.

You can also check out [@r3gen_Finance](#)'s reports on the incentive program [here](#) and the payment chronology [thread](#).

Communication Rationales

We made a recollection of the rationales of all eligible delegates during the 6 months of the program

As you can see, the trimestral percentage of eligible delegates who posted their rationales has increased by approximately 10 % in this last part of the program.

Commenting in proposals

Following the same line, we also collected information on the eligible delegates regarding the comments in the proposals.

In this aspect, we can see a small reduction in the quarterly percentage, but it is important to know that the tracking of this particular parameter doesn't show the quality of the feedback, so it is quantitative but not qualitative. These numbers are only related to a single score per proposal, but in reality, many delegates actively contribute with several high-impact comments to the proposals, deriving from discussions between delegates that may have several comments from a few. Therefore, it is incorrect to say that these numbers represent reality as a totality.

In the future, we will find new methods to quantify this parameter.

Final Conclusions

Since the beginning of the delegate incentive program, we have seen an increasing participation in the votings that take place at the DAO. The data reflects a significant growth in the number of proposals and in delegate participation. This occurs in a context in which the activity in the Arbitrum DAO has increased significantly, with an average of 24.6

proposals (snapshot + tally) per month in these 8 months of 2024.

We note that the quarterly rate of VP participation in Snapshot by program delegates increased from 53.86%

(in Dec, Jan, Feb)

to 65.89%

(in Mar, Apr, May)

and then to 69%

(in Jun, Jul, Aug)

. In Tally, quarterly participation increased from 52.05 %

(in Dec, Jan, Feb)

to 65.64 %

(in Mar, Apr, May) and then to 67.48 %

(in Jun, Jul, Aug)

. Indicating that the program has had some effect on participation.

However, it is important to note that the average Voting Power in Tally is down by 4M

from 2023. While the majority of voters are in the lower VP ranges, the data indicates that most of the VP is concentrated in a significant number of addresses, which are crucial to reaching quorum.

It is also important to note that the number of program applicants and participants is increasing month by month, and we expect a significant increase in the number of delegates for the next iterations of the program, should the DAO so desire.

Regarding comments and justifications, we have observed an increase in the trend of comments and justifications, however, it is important to mention that the exact measurement of these parameters for study purposes is very subjective

, since, there are situations where delegates make several good comments on a single proposal, but the program only scores 1 point per proposal regardless of how many comments are made.

In the future, we will work to devise new ways to account for this more accurately.

In closing, we trust that this report will help delegates gain a deeper understanding of ArbitrumDAO and contribute to improving future versions of the incentive program. The goal is to develop a program aligned with the DAO's objectives, optimizing resources and ensuring that delegates are rewarded for dedicating their time and expertise to Arbitrum's success.

In case you have any feedback feel free to share it, we will be happy to consider it.