

Hello ArbitrumDAO!

Please find our report on “Arbitrum Expert Service Provider Network Program Development” here:
<https://block.science/images/ArbitrumExpertServiceProviderNetworkProgramDevelopment.pdf>

Below is an excerpt of the report, for those who just want a taste.

Executive Summary

Arbitrum DAO is not a single party, but a complex polity constituted by an array of technical infrastructures, organizations, processes, cultural norms, and a diverse group of people. Action in the context of Arbitrum can emanate from many different loci of coordination. This report addresses ArbitrumDAO as the main forum for public engagement in governance; it provides background research and guidance for the development of an Expert Service Provider Network. The purpose of an Expert Service Provider Network is to ensure that Arbitrum DAO has access to expert services in a manner that is accountable to the public, fiscally responsible, and compatible with the market for those services.

Arbitrum DAO funds programs, such as the one which sponsored this work, via its existing governance processes that are run by third-party entities. Those programs, in turn, pursue their specific mandates accountable to the Arbitrum DAO via various reporting requirements and norms. The Expert Service Provider Network would constitute a new program targeting funding for on-going activities pursuing long-term goals, and requiring significant domain expertise to be performed or evaluated. Previous proposals to the Arbitrum DAO have suggested expert activities including, but not limited to, quantitative finance modeling, economic policy analysis and recommendations, code audits, and cybersecurity related services. While Arbitrum would benefit from these services, there is not currently a program in place that adequately aligns incentives (including accountability mechanisms) between Arbitrum DAO and the potential expert service providers.

Given the scale of funding required to procure expert services on an ongoing basis, a program specifically designed to serve this purpose is recommended. Furthermore, such a program should be co-developed with input from the public and from domain experts in order to ensure legitimacy of large expenditures. Co-development of the program can be onerous as it requires all participants to align on the purpose of the program, the specific stakeholders it serves, and the environmental factors influencing its architecture, as well as a design framework and evaluation heuristics for governance structures. This report aims to lower that burden by providing conceptual frameworks, example practices, and practical next steps for the co-development of an Expert Service Provider Network program.

The recommended program co-development process should begin with education and facilitated discussions funded under an existing program’s mandate. An iterative process involving both mechanism design experts and members of the public will conclude with a program architecture suitable for consideration by the Arbitrum DAO. The program development phase is complete when the Arbitrum DAO funds the Expert Service Provider Network program. Following funding, the operationalization phase begins with a series of domain specific education and facilitated discussions, mirroring the early process — but this time the mandates for the specific expert functions, rather than the Expert Service Provider Network, needs to be defined. In the first cycle of expert service provider funding many of the properties specified in the program architecture will have their implementation details determined. The operationalization phase is complete when the first cycle has concluded and service provider evaluation has been incorporated into the second cycle service provider selection process.

There will be an open community call in the coming weeks to discuss the report and take any questions from ArbitrumDAO members.

Until then, enjoy the read!