

Abstract

- The ARDC has faced challenges due to the significant drop in the price of ARB tokens, reducing the purchasing power of their initial funding from \$3.06M to less than half. Initially, the community was hesitant to sell ARB tokens, resulting in the decision not to convert them. As a result, the remaining funds are insufficient to cover the planned six-month term. The ARDC is requesting an additional 1,200,000 ARB to support operations through August and September, ensuring they can fulfill their mandate. Any surplus funds will be returned to the ArbitrumDAO Treasury.

Rationale

- The Proposal aims to ensure that the ArbitrumDAO satisfies its payment obligations to ARDC members that were duly elected by the ArbitrumDAO.

Timeline

- The proposal will move to a Snapshot vote on the 25th of July.

Overall Cost

- 1,200,000ARB

Request for Additional Funding for the ARDC

[1] Background

Following the establishment of the Arbitrum Research & Development Collective ('ARDC') for an initial 6-month term, we have encountered challenges due to the price fluctuation of ARB tokens. In the proposal passed on [Tally](#) and executed on 25-Jan-2024, 1.76M ARB was transferred to the multi-sig wallet worth approximately \$3.06M USD at the time (with ARB priced at around \$1.74). Currently, the price of ARB is approximately \$0.75, resulting in a significant reduction in the purchasing power of ARB, now valued at less than half its original amount.

At the time, there was community hesitance in relation to OTC'ing the ARB supplied to the ARDC. Hence, this was not done to respect the community sentiment at the time.

ARDC Members currently get remunerated accordingly as per their election that was held via Snapshot:

- Delphi [72k Worth of ARB/month];
- Blockworks [72K Worth of ARB/month];
- Chaos Labs [53,333 Worth of ARB/month];
- L2Beat [50k ARB for the entire term, in monthly tranches];
- OpenZeppelin [125,000 Worth of ARB /month].

Due to this volatility, the 1.76M ARB is insufficient to fund the ARDC for its full 6-month term. Currently, the multi-sig wallet holds 163.32k ARB priced at \$124,000. To address this, we propose an injection of over and above the original amount requested, which will help fund the ARDC through August and September. This additional funding will enable the ARDC to fully execute its program as originally intended.

Any excess ARB which will not be utilised will be returned to the ArbitrumDAO Treasury.

[2] Proposal Details:

Additional Funding Request: We request an additional 1,200,000 ARB to supplement the existing funds used to support the ARDC.

Return of Surplus Funds: Any surplus funds remaining after the completion of the ARDC's term will be returned to the DAO.

[3] Conclusion:

The ARDC's primary mandate aligns with the strategic priorities of the ArbitrumDAO, particularly in terms of governance optimization, risk management, research, and security. By providing additional funding to the ARDC to compensate for the negative price movement of the ARB token, the ARDC will be able to fulfil its initial mandate as originally intended.