Hi all, we wanted to take this opportunity to present this comprehensive end of program report for the RWA Innovation Grants program. We are ecstatic with the reception our program has received and are determined to grow the RWA ecosystem on Arbitrum and beyond!

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I. Executive Summary

The pilot phase of the Arbitrum RWA Innovation Grant program (RWAIG) has finally come to an end, and we are pleased to present this End-of-Program report that aims to highlight the progress and learnings under the program.

We received a total of 37 applications under the program across all funding areas, of which 21 applications progressed to Stage 2 of the application process. Following reviews by the Expert Committee, a total of 8 grantees were selected across three application batches. Specifically, 5 grantees were selected in Batch 1, 2 in Batch 2, and 1 in Batch 3.

The grantees are across 3 streams: Building - Deployment of RWAs, Building - Strengthening Analytics, and Research, and constitute the following projects:

- RWA Research - Helping Builders and Users;

- Arbitrum RWA Analytics Dashboard - PYOR;

- Mystic Finance;

- Jia;

- Frictionless Institutional Cash & Deposit Tokens;

- Truflation;

- Infinfty;

- Backed Finance.

We allocated a total of 300k ARB in grants (i.e., 100% of the program funding) to all of the 8 selected grantees. ~66% of the funds were allocated to Batch 1 grantees, ~26% to Batch 2 grantees, and ~8% to Batch 3 grantees.

II. Background and Scope

a. Background of the RWAIG

The RWA Innovation Grants program (RWAIG) is a 2-month initiative, in partnership with Gitcoin, that aims to offer comprehensive support across the lifecycle of RWA development on Arbitrum and kickstart the RWA vertical on the chain.

By partnering with experts from top RWA-focused projects like Chainlink, Securitize, PV01, Libre Capital, Centrifuge, and RWA.xyz, the RWAIG ensures quality and consistency in the development of the Arbitrum RWA ecosystem. Moreover, having a 'guiding hand' for projects aiming to deploy will enable tighter integrations between new and existing projects.

The program allocates 300,000 ARB to projects across three categories: Building, Research and Awareness and looks to target more advanced projects that could deploy on Arbitrum in the short to medium term and help kickstart the ecosystem, serving as a positive flywheel for smaller projects.

b. Funding Areas

The RWAIG targeted the following three funding areas:

1. Building

2. Deployment of RWAs

3. Strengthening Analytics

4. Advancing RWA Token Standards

5. Deployment of RWAs

6. Strengthening Analytics

7. Advancing RWA Token Standards

8. Research

9. Awareness

c. Program Structure

Program Date:

17 June - 16 August

Fund Size

: 300k ARB

Funding Mechanism

Our original plan was to allocate the total grants fund using both Quadratic Funding (100K ARB) and Direct Funding (200K) ARB. However, we made a switch to use Direct Funding as our singular funding mechanism. Upon discussions with stakeholders within the Thank ARB ecosystem and Arbitrum delegates, we decided to move away from Quadratic Funding.

Given the nuance and nascency of the RWA space, we felt it would be better to allocate all funding through Direct Funding the Expert Committee in this instance to surgically kick-start the vertical on Arbitrum. Leaning on the Expert Committee's experience and knowledge is a more targeted way of enabling the growth of the RWA space, which requires a keen understanding of traditional finance and legal and regulatory topics in addition to the more crypto-native knowledge that the Arbitrum community possesses. As such, while we believe that QF has a place to play in the continued growth of the RWA space on Arbitrum, we think it is more suited to a time when RWAs are more firmly established in the Arbitrum landscape.

Application Process

The RWAIG program application process followed two phases:

- Stage 1

: The general Gitcoin application round, open to all RWAIG applicants.

- Stage 2

: A more focused and in-depth diligence application for selected projects that have passed the review from Stage 1 applications. Stage 2 applications are completed via Airtable.

d. Program Managers & Committees

RWAIG Committee

The RWAIG program is run and operated by a team from Areta and Gitcoin, both deeply involved in Arbitrum and experienced in managing grants:

- @Bernard_Areta

, Bernard Schmind (Co-Founder & Governance Lead, Areta)

- @Sid_Areta, Siddharth Shah (VP of Strategic Governance, Areta)

- @Fin_Areta, Findlay Boothroyd (Strategic Governance, Areta)

- Sejal Rekhan (Grants Lab, Gitcoin Grants Program)

- Sov (Grants Lab, Gitcoin Grants Program)

Expert Committee

The RWAIG has partnered with experts from top RWA-focused projects like Chainlink

, Securitize

, PV01

, Libre Capital

, Centrifuge

, and RWA.xyz

. The key function of the Expert Committee is to ensure quality assurance by providing support and input to the RWAIG Committee on the program operation and evaluation criteria design.

We'd like to thank Colin Cunningham (Chainlink), Jonathan Espinosa (Securitize), Sophia Schluger & Manuela Warnier (PV01), Shrey Rastogi (Libre Capital), Eli Cohen (Centrifuge), and Adam Lawrence (RWA.xyz) for lending their time to the RWAIG! It would not have been possible to reach the high quality of the program without their guidance and expertise.

III. Achievements and Progress

a. Operations Overview

A total of 37 applications were received across all three funding areas, with Building: Deployment of RWAs receiving the most interest from applicants.

Expert Committee Engagement

- The RWAIG Committee kicked off our engagement providing the Expert Committee with a comprehensive briefing document that detailed key aspects of the program such as the funding mechanisms, funding areas and KPIs, timelines and the application process. We also scheduled a kick-off call to walk the Expert Committee through the program briefing document.

- We established key infrastructure to support the program such as the application questions (Stage 1 and Stage 2), evaluation criteria and review rubric for assessing applications and the RWAIG Hub which serves as the central hub for the public on all relevant details about the program. We created an application flow that outlined all of this to the Expert Committee.

- In designing the application questions and the review rubric we sought extensive feedback from the Expert Committee who ratified the final versions of both documents.

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- Once a project passed from Stage 1 (Gitcoin) to Stage 2 (Airtable), we created overview documents for each applicant for the Expert Committee to review. See an example Overview Document for one of the grantees, 'RWA Research - Helping Builders and Users' here.

- We created Review Worksheets per project to be reviewed by an Expert Committee member, which included the review rubric for each stream, a column to enter the score in per rating criteria, and space to write a rationale per reviewed project.

- Lastly, we sent over the projects to be reviewed by the Expert Committee per batch by creating individual 'Application Review Overviews' including 1) the projects to be reviewed by each member, 2) the overview document per project, 3) the review rubric to be used per project, and 4) the review worksheet to be used by the Expert Committee member.

Marketing

- We set up marketing infrastructure for the RWAIG program which includes dedicated social accounts across different platforms (X/Twitter, Telegram, Farcaster). Please find more information about our marketing efforts in the dedicated section below.

Transparency & Reporting

- We created a central Notion hub for the RWAIG, which included key details about the program, such as the grant application process, evaluation criteria, reporting and tracking updates, program success metrics, and funded grantees.

- We posted an [announcement of the program beginning](#) on June 11 on the Arbitrum DAO forum.

- We published a [Mid-Term report of the program](#) on August 13 on the Arbitrum DAO forum.

b. Grantees

Applications

We received a total of 37 applications across all funding areas. We received the most number of applications in the funding areas Building: Deployment of RWAs (26) and Awareness (7).

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Selected Grantees

Out of all 37 applications that we received, 21 applications progressed to Stage 2 of the application process. Following rubric reviews by the Expert Committee, a total of eight (8) grantees were selected across three (3) application batches:

- Batch 1 Grantees

- a total of five (5) grantees were selected in this batch:

- RWA Research - Helping Builders and Users;

- Frictionless Institutional Cash & Deposit Tokens;

- Arbitrum RWA Analytics Dashboard - PYOR;

- Mystic Finance; and

- Jia.

- RWA Research - Helping Builders and Users;

- Frictionless Institutional Cash & Deposit Tokens;

- Arbitrum RWA Analytics Dashboard - PYOR;

- Mystic Finance; and

- Jia.

- Batch 2 Grantees

- a total of two (2) grantees were selected in this batch:

- Truflation; and

- Infinfty

- Truflation; and

- Infinfty

- Batch 3 Grantees

- only one (1) grantee was selected in this batch:

- Backed Finance

- Backed Finance

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More details about the selected grantees can be found in the[RWAIG Hub](). Below is a breakdown of selected grantees categorized by funding area:

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The Expert Committee is currently in the process of reviewing Batch 2, which consists of 6 applications. Batch 3, the final batch to be sent to the Expert Committee for review, consists of 3 applications selected to move to Stage 2.

c. Milestone Setting & Progress Tracking

The RWAIG team scheduled meetings with the selected grantees for the purpose of setting project milestones and deliverables. We also defined reporting standards and processes for the selected grantees and set up a regular check-in schedule for the purpose of tracking their progress and ensuring the completion of milestones.

Using the prescribed reporting standards and formats, grantees will share regular Program Updates on their progress with the RWAIG team which will then be published as updates to the community.

d. Financial Overview

A total grant amount of 300,000 ARB (i.e., 100% of the program funding) was approved for all eight (8) grantees, based on their grant requests. Details about the specific grant amount allocated to each grantee can be found in the [RWAIG Notion Hub](). Below is a breakdown of how the program funding was allocated across the different funding areas:

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Payments are made to the grantees directly by the Thrive Impact Foundation and are tied to the completion of set milestones, following an agreed upon payout schedule.

IV. Community Engagement & Marketing

a. Community Engagement

We used several channels to interact, receive feedback, and share resources with the community. We did this through social channels (Forum, Twitter, Farcaster). Notably, we created a Telegram group for the community, where we shared regular RWA/RWAIG related updates. We interacted with the community through the following public events:

- Arbitrum RWA Education Sessions:

As a way of driving more engagement and creating awareness in the Arbitrum community on the topic of RWAs, we held education sessions with presentations from industry leaders such as Chainlink, Karpartkey, and Gauntlet. We allowed the community to engage these experts through an open-ended Q&A session. Details about the session can be found [here]().

- X/Twitter Spaces AMA:

Shortly after the RWAIG program launch, we held an AMA/community call session to provide more information about the RWAIG program and take questions from the community.

- Grantee Showcase

: To wrap up the pilot phase of the RWAIG program, we will host a community call on 10 September 2024 to showcase the progress of the entire program, and the selected grantees to the Arbitrum community and general public. As much as an effort in transparency, this will allow grantees to be exposed to stakeholders in the broader RWA ecosystem, including potential users, customers and partners.

b. Marketing Sprints

The RWAIG team ran the following marketing sprints in order to bring more awareness about the RWAIG program to potential grantees:

- Marketing Sprint 1:

To launch the RWAIG, we ran marketing campaigns with targeted messaging aimed at introducing the program to potential applicants as well as generating general awareness of the program within the ecosystem. We did this through several social channels including [Twitter](), [LinkedIn](), [Arbitrum Forum](), and Telegram. We sought and received marketing support from members of the Expert Committee, leveraging their networks to bring more attention to the program.

- Marketing Sprint 2:

To drive up the number of grant applications received, we ran a second marketing sprint, placing emphasis on application deadlines and program closure. We did this through our social channels and with marketing support from the Expert Committee.

- Marketing Sprint 3:

We ran another marketing sprint to drum up awareness about our selected grantees and to wrap up the pilot phase of the program. The campaigns were aimed at generating more attention for the grantees, showcasing the impact of the RWAIG program on the Arbitrum RWA ecosystem and vetting the appetites of potential future applicants/grantees for a potential next season of the program.

V. Key Learnings

a. Change in Program Funding Mechanism

As outlined in the 'Background and Scope' section above, we received feedback from delegates in the Arbitrum ecosystem to focus our funding mechanism squarely on Direct Funding and for this pilot phase, not focus on Quadratic Funding. Please find our reasoning for doing so in the above section.

b. Notion as a Collaboration Mechanism

For some Expert Committee members, using Notion as the central hub for conducting reviews and accessing all information proved to be challenging. Some links opened as web links, while others opened as new tabs in Notion. There was inconsistent switching between the browser and app, which caused issues.

c. Review Timelines

Due to their busy schedules, it proved to be slightly difficult to effectively coordinate all Expert Committee members to provide reviews in a timely manner. While the Overview Documents and the review process were as streamlined as possible and we got positive feedback from the Expert Committee on our process, we would suggest expanding the committee and timelines next time around for ease of coordination and managing varying schedules.

d. Volume of Applications

For a 2-month program in a relatively nuanced area, receiving 37 grant applications was significant. We would have loved to 1) allocate more funding towards deserving projects, 2) linked funding even more tightly to milestone completion, and 3) helped support these projects in the long-run from an ecosystem support perspective. As such, we think the RWA ecosystem on Arbitrum will benefit from more sustained support over the longer term.

e. Alignment with Existing Arbitrum RWA Initiatives

We received feedback that it was important to highlight (as we did) the complementary nature of the RWAIG with the existing Stable Treasury Endowment Program (STEP) on Arbitrum. We also plan to align the RWAIG under the broader RWA strategy for Arbitrum, which we are taking the lead in defining.

f. Funding of Target Areas

One of our KPIs was to fund projects in all 5 domains - Building - Deployment of RWAs; Building - Strengthening Analytics; Building - RWA Token Standards; Research; and Awareness. We did not end up funding projects in the Awareness domain because according to our review process, we did not think any of the applications we received would end up having as much of an impact as we would have liked. As such, we decided to be more flexible and allocate greater funding towards the Building - Deployment of RWAs domain, which received the highest number of quality applications. It was a good learning to adapt to the applications we receive and be squarely focused on having as much quality impact as possible rather than funding a project simply to meet our pre-defined KPIs.

VI. Way Forward

As the pilot phase of the RWAIG program comes to an end, we are excited to share our outlook for the future and the key

initiatives and structures we want to set up for a potential next term.

Definition of Broader Arbitrum RWA Strategy

We are currently drafting a plan for Arbitrum's broader RWA Strategy across two angles: (1) treasury diversification and (2) ecosystem growth. The Arbitrum RWA Strategy Steering Committee will identify high-priority topics to form an informed opinion on to feed into the definition of the STEP II program, the plan for future STEP programs, and the ecosystem growth strategy for RWA projects on Arbitrum, i.e., how to increase the volume of RWAs deployed on Arbitrum and the support services required for these projects to deploy on Arbitrum (e.g., technical, legal, GTM, marketing, etc.).

As can be seen in the STEP II Steering Committee post on the Arbitrum forum, we believe that we will need to work on some of the following topics that will feed into the definition of future STEP programs and Arbitrum's wider RWA strategy:

- ARB liquidation strategy in STEP such as limit orders and price target determination

- Asset types to include as part of diversification and rationale for the same

- Methods of productively deploying purchased STEP assets through identifying use cases for RWAs across DeFi (i.e., making assets productive after investing in them)

- Assess priority of the STEP program for Arbitrum in terms of RWA ecosystem growth vs treasury diversification, yield generation and principal protection

- Define targets for aggregate treasury diversification and yield brought in from RWAs

- Propose split between existing and new allocations to service providers, target number of service providers to select in the program

- Comprehensive proposal for STEP II and future iterations of the program

- Identifying challenges faced by existing protocols on Arbitrum in integrating RWAs and defining a plan to mitigate the challenges.

The Steering Committee will be responsible for identifying the specific topics to tackle from the above list (and beyond) and identifying the appropriate individuals to work on these topics. Based on the findings from the chosen topics, we will deliver the following:

1. Comprehensive proposal for STEP II;

2. Definition of and (high-level and flexible) plan for future STEP programs;

3. Definition of Arbitrum's RWA Strategy, including both treasury diversification and ecosystem growth initiatives.

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VII. Helpful Links

- [RWAIG Hub](#)

- [Arbitrum RWA Education Sessions Thread](#)

- [Arbitrum DAO RWA Telegram Group](#)

Acknowledgements

On a final note, we would like to thank everyone who made the RWAIG program a reality. Specifically, thanks to the RWAIG team, the Expert Committee and the Thrive Impact Foundation for their continuous feedback and invaluable support towards the success of the program.