Arbitrum GovHack Track

:

Contributor onboarding, activation & engagement

Challenge Statement:

Delegation proportionate to participation.

Members:

404DAO

Event Horizon

Matt Fiebach

Jengajojo (DAOStewards)

Non-constitutional

This proposal has taken influence from a proposal created by Stable Lab in Uniswap DAO and we thank them for their inspiration.

TL;DR

This proposal seeks to increase participation in the DAO by empowering underrepresented delegates who, despite active participation in governance, do not have sufficient voting power to have their ideas seriously considered. Since greater voting power often correlates with heightened attention by the DAO's key stakeholders, we propose creating a DAO-controlled Franchiser contract and distributing 1M in ARB each of up to 10 delegates who 1) currently have between 50,000 and 1,000,000 in voting power, 2) have shown an onchain voting participation rate >80% in the last 3 months and 3) have been voted as the top 10 delegates of these candidates by the DAO voted on in a Snapshot poll.

Abstract

We ask the DAO to run a 1-year trial program that delegates $ARB to Active Delegates who are underrepresented in governance. If this proposal passes, the foundation will create a Franchiser contract to technically allow for this process. The DAO will maintain control of all $ARB allocated to the program, and have the ability to clawback delegations through an onchain proposal at any time. The contract is owned by the DAO and the tokens are delegated, not granted, but never leave the contract or DAO treasury in practice. Rather, they are stored in a new DAO-owned address.

By allocating 1M $ARB each to up to 10 delegates with between 50k-1m $ARB who have voted on >80% of onchain proposals in the last 3 months, the DAO will empower more meaningful voices in its proposals. A quarterly Active Delegate refresh is encouraged to maintain accountability of those who have been allocated delegation and give newly qualified delegates a chance to participate. The proposal will also give more delegates the ability to propose Snapshot votes and further diversify the makeup of the DAO. Snapshots have a threshold of 500K ARB and onchain proposals 1M to propose.

Motivation

During Arbitrum's GovHack hackathon, the challenge statement of "Delegation proportionate to participation" emerged as a [key challenge](#) for the DAO. Furthermore, the community has sought creative ways to leverage delegation, rather than grants, to boost voter participation and encourage meaningful contributions (see [this](#), [this](#), and [this](#)).

Currently, there are a group of delegates who have demonstrated a commitment to governance through consistent participation in on-chain governance. However, despite their active involvement, they are significantly marginalized in terms of voting power. Since greater voting power often correlates with heightened attention from delegates and the community, we believe that boosting the voting power of these delegates will enable them to have their ideas seriously considered, creating a more robust idea generation and iteration pipeline. Within the DAO, a higher allocation of voting power not only empowers individuals to propose initiatives but also garners increased attention from active delegates and community members.

Many of Arbitrum's key delegates holding substantial voting rights participate in fewer votes than smaller delegate counterparts. This is evidenced by the observation that many recipients of sizable delegations have shown minimal participation in governance activities. In an effective DAO, engaged delegates play a critical role by exercising their

substantial voting rights. Giving smaller delegates who have shown rigor in their activity a more meaningful voice and voting power in the DAO will help toward this overarching goal.

Eligibility

Active delegate voters with the following qualifications can be considered for the program:

- 80% participation over the last 3 months on Tally

- 50,000 to 1,000,000 $ARB voting power

Data

Over the last 3 months there have been 6 onchain proposals that count and a delegate must have voted on at least 5 in order to qualify. 25 addresses currently qualify.

[

Screenshot 2024-02-27 at 14.18.52

1216×1328 146 KB

](https://global.discourse-cdn.com/standard17/uploads/arbitrum1/original/2X/c/c7ea3fb277e099007c4406a918e575a84ef2109f.png)

Qualified applicants must self nominate themselves to be considered.

Next Steps

- We encourage the community to leave comments and feedback on this forum post

- Project managers will create a snapshot vote so that the DAO can signal approval or disapproval for the program.

- Start working on deployment of Franchiser Contract

- Upon successful Snapshot #1

, program managers will create a forum post for nominations

- Qualified delegates to nominate themselves on post within 7-days.

- Project managers post this proposal to a Snapshot vote for 7 days during which time delegates will vote on the top 10 applicants to be included in the program. Encrypted weighted voting.

- After the Snapshot vote ends, we will post the proposal to Tally for an on-chain vote and delegation executable.

Following self-nomination to receive delegation, a Snapshot vote will go live so that the DAO may decide which delegates (up to 10) should be included in the program.

Technical Implementation

In order to implement this proposal, it is required that we create a DAO-controlled Franchiser contract. The contract owner would be the DAO timelock and it would allow the DAO the power to delegate and undelegate tokens that it sends from the treasury to the Franchiser. We suggest that the Foundation aids in the creation of this contract in order to create an official and safe implementation, though we can likely fork the Trail of Bits audited Uniswap Labs implementation [github] of the same concept. If this proposal passes Snapshot, we request that the Foundation take the time to fork the contract and hire an auditor to check the implementation.

The contract has simple functions:

-Fund

: allows the DAO to send tokens to contract and delegate to a single address

-FundMany

: allows the DAO to send tokens to contract and delegate any amount to multiple addresses

-Recall

: allows DAO to pull back funds from Franchiser effectively undelegating and returning tokens to treasury from a single delegate.

-RecallMany

: allows DAO to pull back funds from franchiser effectively undelegating and returning tokens to treasury from multiple delegates.

It is worth noting that all tokens sent to the Franchiser will remain a part of the DAO's balance sheet as it has full-control over the contract. The delegated tokens never leave the DAO's ownership.

Timeline

- Forum feedback 1 week

- (optional) Repost on forum incase there are major changes requested: 1 week

- Snapshot vote 1 week

- Work with foundation to deploy contracts: 1 month

- Onchain vote: 3 weeks

- First quarterly report: 3 months

- Second quarterly report: 3 months

- Third quarterly report: 3 months

- Final quarterly report: 3 months

Program Administration

This working group will project admin this program. The specific deliverables include:

1. Work with the foundation for contract creation and deployment

2. Create quarterly reports on delegate performance so that the DAO may have a resource to hold delegates accountable

3. In the event that a chosen delegate falls below 80%, communicate with the DAO and put up a vote to revoke their delegation

Note: This is not a position of power, just a project management work which is limited to the above executables

We will create a 3 of 4 multi-sig governed by the proposers paid upfront if the proposal passes onchain voting.

Signers:

-Jengajojo (DAOStewards)

-404 DAO (Cole Schendl & Rika Goldberg)

-Event Horizon

-Matt Fiebach

Overall Cost

- Up to 10M ARB to be transferred into the Franchiser contract, still owned by the DAO (no cost)

- $15,000 in ARB for program management and reporting for 1 year

Considerations:

- We want to encourage members of the DAO to review the program and consider removal or addition of delegates to the program quarterly

- If this program goes well, the DAO should consider iterating on the active delegate criteria, number of votes to be delegated and interval in which the delegation is refreshed.

- The Franchiser contract will enable use cases beyond just this program. For example, the foundation may opt to temporarily delegate tokens so that any entity can make a snapshot/onchain proposal. It may be used in further programs to give delegations from the Treasury. It will allow one address to delegate its token across many delegates (though the DAO will maintain ownership as well).

[Video link](#)