

Context:

This proposal picks up from the conversations we had in Denver and 6 weeks of running the Arbitrum Venture Initiative (AVI) Working Group, including weekly workshops, async conversations, and multiple 1-1s with delegates.

We've confirmed existing pain points within the community, formulated an overall vision for the Arbitrum Venture Initiative, developed a high-level strategy for deployment, and started aligning with interested parties.

We are planning to submit a pilot phase proposal for a Snapshot vote this week based on all the feedback received so far, with a focus on developing a concrete strategy (thesis) for funds deployment and test case with allocators (VCs and other programs) while advancing stakeholder alignment. This will enable the initiative to launch successfully once the appropriate legal setup is ready and avoid delays leading to significant opportunity costs for Arbitrum.

We want to make sure to highlight our commitment to integrate the work that we are doing into any larger construct/umbrella that the DAO decides on if this should materialize and not create any conflicting workstreams. As well as to make all the learnings and insights produced available to the DAO or Arbitrum Foundation.

Further context in the [original AVI proposal](#) and [AVI workgroup thread](#).

Abstract

Our team's mission is to enable the Arbitrum DAO to boost the development and financial sustainability by:

- defining an effective approach for ArbitrumDAO to setup an Ecosystem Fund that would fund ventures aligned with the ecosystem through venture programs (e.g. VCs, venture builders, accelerators, etc.) and direct investing;
- and then executing on the said approach.

This proposal is focused on a 'pilot sprint', where we'll:

1. Facilitate an IRL thesis development event and series of online workshops leading up to it, together with experts and the key stakeholders to develop the thesis and strategy in agreed-upon target areas for venture programs;
2. In parallel do a market consultation with at least 30 founders and 15 funds, to test how the market sees the opportunity

The learnings and resulting thesis will be documented in a report to equip the delegates and group working on the thesis with the relevant insights.

Why conduct a pilot sprint?

Operating AVI represents a bold and pioneering initiative for blockchain ecosystems and as such it is also a complex undertaking that involves high capital needs. It also is one of several such in the Arbitrum DAO that require complex stakeholder alignment around setting up legal and governance structures. Thus, it is not appropriate to rush it before the relevant structures have been put in place.

At the same time, there is a significant opportunity cost in not progressing with good velocity on at least the components that can already clearly be acted on. A lean and pragmatic pilot phase to analyze key themes thoroughly and develop the necessary clarity will provide us with a solid foundation to build on.

Pilot sprint approach

The pilot sprint outputs intend to provide the DAO delegates and stakeholders with sufficient information to decide on advancing the Arbitrum Venture Initiative (AVI), or parts of it into the next phase of development, including its operationalisation and funding requirements. The sprint is designed to fund the operational team for 8-weeks long and is the natural progression of our existing Working Group efforts. As well as hosting the IRL thesis development event and online workshops.

The sprint will kick off in-depth research and workshops to identify opportunity areas (thesis development).

The pilot sprint will provide concrete data and analysis from various ecosystem participants and stakeholders. Armed with this information, we will have the strategic perspective (thesis development) ready for AVI's operation.

Key Output

An in-depth report detailing a shared, well-researched understanding in the Arbitrum community of where the opportunities

related to investment lie.

1. Equip the DAO delegates and community participants with a deeper shared understanding about a strategy and approach to a coordinated and optimized horizontal strategy for Ecosystem funding and venture development.
2. Align the DAO on strategic targets by providing strategic analysis and coordinating key stakeholders and delegates.
3. Provide a platform for open discussion as well as active collaboration as we advance towards the next phase of the Arbitrum Venture Initiative (AVI).
4. Engage a broad range of builders, capital allocators and talent around new ventures and value creation related to Arbitrum, while embedding their needs and ideas with deep empathy in future design.
5. Produce general exposure and community engagement.
6. 3 market opportunity mapping workshops (online) *A.
7. 1 'hackathon' event where key experts related to the thesis will be invited (1-day event in London / 20-40 ppl). *B
8. 1 public evening event (on the same day as the hackathon), during which key insights and talks will be presented including a bigger community (80 - 120 ppl). *C
9. 30 interviews with builders.
10. 15 interviews with General Partners and other fund managers from various ecosystems
11. A Synthesis Market Consultation Report summarizing key challenges and opportunity areas that the VC funding should address. *D

*A Examples of thesis exploration ideas that would be discussed during the online workshops and honed down on during the IRL event. DeSci and DePIN are two important current trends. DeSci is interesting from an Arbitrum perspective, among other reasons, because it naturally requires handling a lot of data and transactions on chains. DePIN solutions are relevant in that regard, however as things stand at present it is likely that a lot of these applications might get scattered across different L2s. In that case this would make them computationally inefficient, as they would have to work via the L1. But if a well considered cluster of such applications get attracted to Arbitrum this can create a particularly powerful network effect, making the natural place for such a well defined category. This is an example of a type of scenario that can benefit from being studied in depth to inform a thoughtful ecosystem investment strategy. While this is not necessarily the particular focus being proposed, it illustrates the sort of areas of exploration that might require the attraction of a diverse group of experts. Some of whom might not yet be natively in the Arbitrum ecosystem or in Web3 altogether.**

B* Location: The Farstar team favors doing the above work in London, because it represents the biggest knowledge economy in the world and is the most diverse city. It is not #1

in anything, but is #2

to 5 in almost everything, providing an incredibly broad community to pull experts from. And our team has access to a variety of excellent locations that we can make use of. That being said our team is keen to maintain flexibility to run on another location if more accessible for key Arbitrum stakeholders as well as leverage EthCC in the build up to the event.

C* At the end of the hackathon we would like to make this said central location open for the broader interested community and allow some of the ideas coming from it to spread creating visibility and excitement for Arbitrum.

Photo from a recent Web3 unconference our team ran in a venue we might use:

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https://lh7-us.googleusercontent.com/3sWT28U2R9hgG-ZFa-eMaMKV4ADjDLcXXV_xCv6ZXxk3l0N17pSziUtlbedSeTxtRg_jtBd_-F-N2KjO_8zTS4E3cDi0rYeJxcL0e6pZfzF2XeHC2Muy68363_L_bflr5ko8gS0oxTfebDmNV0sHvXk

(image larger than 4 MB)

](https://lh7-us.googleusercontent.com/3sWT28U2R9hgG-ZFa-eMaMKV4ADjDLcXXV_xCv6ZXxk3l0N17pSziUtlbedSeTxtRg_jtBd_-F-N2KjO_8zTS4E3cDi0rYeJxcL0e6pZfzF2XeHC2Muy68363_L_bflr5ko8gS0oxTfebDmNV0sHvXk)

D* Here is an example report that was produced by Konstantina recently:

https://www.fmfiib.bg/media/20240314_Doklad_za_pazaren_test_FIP_i_FTT_clean_EN.pdf

Our team appreciates that a different format of the deliverable might be more appropriate in the context and will consult

delegates and the community to adjust accordingly.

Team

We bring deep expertise in investing (web3 and VC), working with early-stage builders and in ecosystem building (Development VC) around frontier topics and emerging technologies. We have a long-term vision for Arbitrum's venture development and are committed to building for the community.

- Lino: 3x founder, 15 years of experience in developing startup ecosystems and specifically through VC instruments with development aspects. Founder of Farstar.

Linkedin: <https://www.linkedin.com/in/lvelev/>

- Konstantina: Head of Equity Financial Instruments in a EUR 1.3 billion Fund of Funds, focusing on Venture Capital ecosystem development. MSc in Investment Banking and Securities from the London School of Business and Finance.

Linkedin: <https://www.linkedin.com/in/konstantina-voynova-5b660575/>

- Ana: web3 VC, 8 years of experience in web3, deep expertise in investing through executing 80+ deals as well as actively supporting early-stage founders in fundraising, strategy and navigation of various ecosystems. Co-lead of Farstar Swarms DAO.

Linkedin: <https://www.linkedin.com/in/ana-maria-yanakieva/>

[\]\(https://www.linkedin.com/in/ana-maria-yanakieva/\)](https://www.linkedin.com/in/ana-maria-yanakieva/)

- Bart: is a former design researcher and founder with expertise in entrepreneurship education and community-based venture creation. He is Entrepreneur in Residence (EiR) at Hogeschool Arnhem Nijmegen and Guest Lecturer Entrepreneurship at Wageningen University in The Netherlands. At Farstar he is head of ecosystem products

Linkedin: <https://www.linkedin.com/in/bartdoorneweert/>

[\]\(https://www.linkedin.com/in/bartdoorneweert/\)](https://www.linkedin.com/in/bartdoorneweert/)

- Immutable Lawyer: Lawyer & Regulatory Analyst + Founder of Axis Advisory; a digital asset law firm based in Europe with expertise in legal & corporate structuring as related to capital raising, investment strategies and DAO-Oriented investment vehicles. Immutable Lawyer is also part of the dYdX Operations Team which operates the dYdX Chain.

Linkedin: <https://www.linkedin.com/in/joseph-axisa-1b86141b4/>

- Paul: Entrepreneur with 7 exits worth \$4.7B and later head at Innov8 a \$250m Singtel corporate venture fund.

Linkedin: [Paul Burmester - Private AI | LinkedIn](#)

- Anish: co-founder, chief scientist, and CTO of Panther Protocol, focusing on privacy for DeFi. With over 20 years of experience in security and cryptography, he's advised projects like Ripple and Ocean protocol and contributed to Ethereum swarm. Additionally, he's served as a strategy consultant for Accenture and Capgemini, working with banks like HSBC and Lloyds

Linkedin: [Anish Mohammed - SMAPE Capital | LinkedIn](#)

Timeline

- Kick off - within 2 weeks after approval and KYC.
- Market Opportunity Mapping workshops spanning over 3 to 6 weeks ahead of the Hackathon.
- Hackathon scheduled on the shortest feasible timeline (adjacent to ETHCC Brussels as tentative date) - no later than 3 months after approval.
- Completion and submission of report - no later than 16 weeks after approval and KYC

Budget

Items

Team

total

Core Team for 2 months (market consultation, stakeholder interviews and research)

Konstantina (lead), Ana, and Lino + Immutable Lawyer, Paul and Anish on call 1 to 4 d/mo capacity

\$50,000.00

Data Services and Misc Items

\$4,000.00

Running a Thesis Development Hackathon (IRL) with 3 preliminary mapping workshops

Lino (lead), Bart, Ana

\$45,000.00

Total

\$99,000.00

Next Steps

We plan to submit the pilot sprint proposal for a Snapshot vote before the end of the week given that we have already discussed the Arbitrum Venture Initiative proposal on the forum and with multiple DAO delegates and community members. We appreciate your feedback online and offline!

Acknowledgements:

[@AlexLumley](#), [@krst](#), [@Djinn](#), [@Bernard](#) [@Sinkas](#), [@coinflip](#), [@dk3](#), [@Caesar](#), [@DisruptionJoe](#), [@MattOnChain](#)

Helpful links:

[AVI proposal](#)

[Previous GOV HACK AVI proposal](#)

[AVI Workgroup thread](#)

[What do Want from Arbitrum Venture Funds](#)