Treasury & Sustainability Working Group

Proposal: Plurality Labs Milestone 1 Grants

Grant Program: DAO Momentum

Grant Round: Firestarter Streams

Grantee Project: Treasury & Sustainability

Grantee: Treasury & Sustainability Working Group

Funding Decision & Accountability

We are pleased to announce the start of the treasury and sustainability firestarter under the framework of the plurality labs grant.

This post lays out the focus of this working group and its management structures. It will be updated with information as the program proceeds

TL;DR

: The Arbitrum DAO treasury currently holds nearly 3.5 billion ARB. The treasury will be diversified over the coming years along with ARB liquidations from grant allocations

This group aims to kickstart a discussion on how to limit price impact from ARB distribution and diversification.

Why was this working group needed?

This working group will play 2 roles;

1. Surveying the best practices out there for the following challenges:

2. Price Impact of large liquidations from grants and incentive programs

3. Treasury management and diversification

4. Sequencer fee utilization

5. Converting Grants into Investments

6. Providing a judgment on which practices, tools or service providers we should integrate with

Who will the Working Group Comprise?

This group will comprise service providers, delegates and community members to come together with the goal of understanding how to best manage ARB distribution unlocks

It will be stewarded by 2 liaisons Devansh Mehta and Siddique Patel, each spending 20 hours/week at 100 ARB/hour

We are also allocating 2000 ARB a month (upper limit: 4000 ARB) for thoughtful engagement and help with tasks by the community

What KPIs for the Working Group?

1. Productive engagement on this thread

2. Number of proposals brought to an onchain vote

3. Number of service providers engaged with on this forum

When will Working Group operate?

Updates will be posted by the liaisons on this group

Office hours will be held as a Twitter space or on request, communicated via the telegram group and updated on this post

Telegram: Join Group Chat

How will this Working Group Operate

Citations on the taskboard to posts addressing the challenges outlined below

Taskboard

1. Taxonomy of all ways to mitigate price impacts

2. Deep dive into over collateralized debt positions as a strategy to provide alternatives to liquidations

3. Lit review of how other chains are using their sequencer revenue

4. Categorising sentiment on Arbitrum for planned use of sequencer revenue

5. Methods or case studies for how DAOs can diversify treasury holdings to traditional instruments like stocks/US bonds. Example: avantgarde finance or Centrifuge Prime

6. Methods or case studies for treasury management . Example: how ENS or Gnosis manage their treasury with the help of Karpatkey

7. Methods or case studies for increasing the amount of native token that is locked. Example: Golem Foundation creating Octant to lock up GLM supply

8. Any other valid research contribution with references helping make progress on how to convert grants to investments, allocation of sequencer revenue, treasury diversification, earning yield and price impact of ARB distribution

Suggested : Pitch your proposal, research idea or interest to work on a bounty by posting on this forum, DM or twitter/telegram to @TheDevanshMehta

Who made the decision to fund this working group?

This working group is funded by Plurality Labs grants program as part of their Firestater Streams round of funding which is part of the DAO Momentum Grants Program.

Who is accountable for the working groups actions?

Both the liaisons are in charge of the working groups directions and allocation of resources

Devansh (@thedevanshmehta)is a journalist by training and currently working as a next billion fellow at Ethereum Foundation

Siddique (@sids2000) is a seasoned cryptocurrency researcher, involved in the space since 2013 offering insights to investors and providing applicable use cases to businesses.

Who is accountable for the working group results?

This working group serves to coordinate stakeholders and provide recommendations . No part of it should be construed as a fiduciary obligation or legal advice.

None of these activities are representative of plurality labs, which has provided seed funding for the working group under AIP-3 but operates independent of their direction.

Who has the authority to turn off or increase the stream?

The grant starts and streams payment from the PL-ARB Grants Safety Multisig. This multisig has the ability to shut off the stream. In the case of a dispute from PL or the working group, it can be forced to a snapshot vote. The current streams are set until the end of January. The Plurality Labs team will be designing pulse evaluations to continuously receive DAO feedback as to the support for this stream. While this grant lives as a program selection of Plurality Labs, it is the intention to use this experimental model in the capture-resistant framework PL is building for the future.

Budget:

20 hours each per week from both liaisons, at 100 ARB a hour = 48,000 ARB

Help from community/service providers - 30,000 ARB

Total budget from September 2023 to Jan 2024: 78,000 ARB