

TLDR

- Arbitrum tried a lot of things for the last year, but it has been difficult to gain traction from the market in terms of users.
- Recently, organic fundamental narrative is brewing leveraging Arbitrum infrastructure, which is Arbitrum Orbit L3. Look at Degen Chain attention followed by massive repricing of Sanko Chain
- Accordingly, based on the market-oriented approach, I think the fastest way to spurring the growth of Arbitrum would be L3
- Launch L3 Orbit Ecosystem Fund, ASAP

Rationale

Arbitrum is the most legitimate L2 in the ETH space and clearly was the frontrunner in the L2 race especially at the ARB TGE of March 2023. Everyone thought ARB as go-to L2 token & the fastest ETH beta initially. However, for various reasons, ARB has lagged every single L2 chain including OP, METIS and even BOBA.

That is why Arbitrum needs a fundamentally different approach from the previous ones. Thankfully, we can use reference of the market. We should use leverage market-oriented approach. We have to focus on what market is already paying rewards among the Arbitrum-based infrastructure.

L3. The market starts to pay attention to L3 narrative, finally. DEGEN, the strongest and the most organic BASE memecoin, adopts Arbitrum Orbit L3 solution for its own chain. DEGEN chain crossed

- 12M TX
- 701K Unique Wallets
- \$30M bridged

for the less than a week time span. Not just DEGEN. With the massive DEGEN hype, DMT, which was one of the strongest organic project with grassroot community on crypto industry, gained dynastic traction from the market and experienced galactic repricing from \$20M market cap to \$70M market cap, +250%.

The repricing caused by L3 narrative is the key. L3 repricing is the most fundamental & organic

theme that Arbitrum ecosystem faced for its entire lifetime. We don't need to forcefully facilitate memecoins or other narrative gaining hype on other chains.

Arbitrum has luxury of its own. We just need to focus on what we already have. We are blessed, just we did not realize it.

Ecosystem Fund criteria

- Bridged Wallet > 10K
- Bridged TVL > \$1M
- L3 TX > 100K
- Among the project qualifying the criteria, elected committee will decide the beneficiary

Ecosystem Fund method

- Providing liquidity for ARB-(project token) on Arbitrum L2 linearly to Bridged TVL [5% of bridged TVL can make sense as I think]
- Providing liquidity mining for ARB-(project token) on Arbitrum L2 linearly to Bridged TVL
- Buying the project token on Arbitrum L2 linearly to L3 chain activity [this will be quite controversial, just suggestion. Defining L3 chain activity itself is not easy]

open to suggestion

Timeline

ASAP. Starting with 1 month long of test period would be proper. Bull market would not be that long, so we need to leverage all the timely resources as fast as possible.

Overall costs

5M ARB for 1 month test period

- 4.9M ARB for ecosystem fund
- 0.1M ARB for elected committee members