

This post is inspired by discussions with [@Soby](#) in the liquidity incentives WG telegram channel

Recently we have seen proposals from service providers getting rejected ([arbitrum coalition](#), [camelot](#)) , while those same services in the form of frameworks are passed ([ARDC](#), [STIP](#))

It raises an interesting question for how we govern ourselves - should we encourage any provider to first create a credibly neutral framework and only then ask for money?

Or should we consider proposals not coming under a framework but are nonetheless advantageous to the DAO?

This post considers both sides of a framework based approach and then suggests some new paths forward

I. Pro's of a frameworks based approach

- acts as a needs assessment survey (does the DAO even need the service) without being colored by the vibes of the service provider
- prevents a "race to the finish" where every service provider is incentivized to get their proposal up as quickly as possible, before their competitors do and the gravy train runs out.

An example from the early days is [Questbook](#) getting their proposal passed before [Plurality Labs](#), causing some delegates to vote against PL as there was already an approved grants program in place

- More efficient for delegates as they vote on frameworks and consider all applications under that framework together, rather than being constantly bombarded with individual proposals from service providers.
- Arbitrum is the size of small governments, which float tender/bids even if they know exactly who they want to award a contract to

. Usually RFPs result in more providers participating (only 20-30 took part in STIP consultations but 90 applied once the rules of the road were laid down) and better budget control from applicants

II. Now lets look at the cons

- immense amount of friction to get anything passed; difficult to retain staff or talent when everything has to go through a framework
- inability to consider proposals from world class providers at below market rates
- move at a glacial pace (2-3 months to get a framework passed and then providers selected under it)

III. Here are possible exceptions we can consider for passing a proposal even when there is no framework

- We give more authority and funds to centralized grant providers like Questbook or Plurality Labs to nimbly make decisions on hiring service providers and talent for the DAO
- We consider and vote yes on individual proposals when there is a dire need so work can get started, while concurrently spinning up a framework
- we explicitly create categories, for example any proposal asking for an amount above 500k ARB goes through a framework while those requesting a lower amount can be submitted piecemeal
- We allow prior contributors to submit proposals for renewal of their contract/grant without need for a framework

For example, can Plurality Labs or Questbook apply directly to the DAO for renewal of their grant as they are currently a service provider to the DAO? or do we also want them to apply under a framework? Can the Firestarters funded by Plurality Labs or projects chosen by Questbook apply directly for funding to the DAO ?

It has become something of a running joke on how everything in Arbitrum requires a framework. We'd be keen to participate in more nuanced discussions of what type of proposals require a framework and what can be passed without one.