

Recently the [learnings & reflections of Retroactive Public Goods Funding 3 have been published](#) featuring detailed accounts of badgeholder feedback and key learnings which the Collective is aiming to address in the next iteration of Retroactive Public Goods Funding (Retro Funding).

One of the key learnings has been that the broad round scope overwhelmed badgeholders and applicants. Among the most popular requests by Citizens has been the transition of the Retro Funding program to more focused and smaller rounds. This post outlines how Retroactive Public Goods Funding will transition from a single monolithic type of round to multiple types of narrow scoped rounds.

What is scope?

[The scope of a round](#) outlines the type of impact that is being rewarded. Round scope can be understood as a spectrum, ranging from a very narrow and opinionated scope to a very broad and inclusive scope. Both extremes have tradeoffs:

- A narrow scope, which drives clarity for builders, requires the Foundation to express a more opinionated view on impact or for Citizens to come to a high level of social consensus on a [convex decision](#).
- A broad scope, which makes it hard to drive predictability for builders as it's hard to anticipate what will be rewarded, gives lots of freedom to citizens to shape the round based on their personal opinion.

Learnings from rounds with a broad scope

Previous rounds of Retro Funding (1, 2 & 3) featured a very broad scope, in which all types of impact made to Optimism were rewarded. As the rounds scaled in size, key drawbacks of this approach were discovered:

1. It overwhelms citizens in their voting decisions

: The different nature of applications makes it hard to compare impact and difficult to have focused discussions on specific types of impact or applications. Additionally, broad scope and slow iteration cycles, puts high pressure on the round, leading to single-shot optimisations from voters within the retro round such as proactive reward decisions, instead of behavior which aligns with the repeated nature of Retro Funding.

1. It adds difficulty to the builder experience

: It is hard for builders to understand what is in scope and what impact is being rewarded, in previous rounds builders often asked if their contribution was within the round scope. Creating predictability for builders is core to building the flywheel driving the Optimism Collective.

Introducing Retro Funding rounds with narrow scope

Based on learnings of rounds with a broad scope, the Collective is going to experiment with narrow scoped rounds, which are expected to introduce a number of advantages:

1. Drive & measure builder behavior

: A narrower scope allows builders to better understand what will be rewarded in the future. It allows the Collective to focus marketing efforts on reaching the relevant audience for each round. Further, it enables improvements in the measurement of impact created as a result of a Retro Funding round. Measuring the effectiveness of Retro Funding is key for the Citizens' House to be able to make informed allocation decisions.

1. Adapt round design to scope:

Different types of impact can be addressed by different types of round design. By leveraging a narrow round scope, we can embrace the different types of contributions and optimize for the most accurate impact assessment within the scope of the round.

1. Prioritisation

: In its current form, Retro Funding has taken an approach where "everything is in scope", resulting in a lack of focus. Multiple types of rounds allow the Collective to prioritise a subset of impact.

In the following Retro Funding experiments we hope to validate these hypothesised benefits of narrow scoped rounds. Based on learnings in future rounds, we will sharpen our understanding of how best to set the scope of a Retro Funding round. Our goal is that citizens will gradually be involved and take control of the scope setting process.

Prioritisation is hard

In the past, a broad scope allowed us to be inclusive and reward all types impact within the Collective, the transition to narrow scoped rounds requires us to make prioritizations which will result in some types of impact not being rewarded by Retro Funding

. The goal remains to reward all impact made to the Optimism Collective, we expect that these short term optimisations get us closer to achieving this goal in the long term.

What to expect moving forward

For the remainder of 2024, Retroactive Public Goods Funding will exclusively experiment with rounds featuring a narrow scope and pause the execution of broad scoped rounds.

To advance the transparency of the design process, the Foundation will open source plans for the proposed rounds in 2024 shortly. You can find more information on our [path towards a more open design process here](#)