TL;DR

Use Sablier for the Arbitrum Foundation's grants program.

What is Sablier?

Sablier is a token streaming protocol available on eight chains, including Arbitrum. It is the first of its kind to have ever been built in web3, tracing its origins back to 2019. Similar to how you can stream a movie on Netflix or a song on Spotify, Sablier lets you stream money every second.

The Sablier protocol features a streaming model Lockup, in which the sender locks up a specified amount of ERC-20 tokens in a contract. The contract progressively allocates the funds to the designated recipient, who can access them as they become available over time. The streaming rate is influenced by various factors, including the start and end times, as well as the total amount of assets locked up.

For more details, please visit our website and our documentation.

What problems does token streaming solve?

Traditional payroll and token vesting suffer from three key problems.

1. Payments need to be made manually over a long period of time, requiring ongoing efforts from the grant management team. Conversely, Sablier streams only have to be set up once. You just have to provide the total duration of the stream (can be a month, a year, or even multiple years) and that's it — there's no further action needed from you again, ever.

2. Grants, as we know them, have issues. The traditional approach relies heavily on milestones or lump sum payments, either upfront or at the completion of the project. However, this poses a risk with grantees potentially abandoning the mission after receiving a part or the whole grant. Conversely, grantees have to wait for the milestones in order to receive their income, and payment delays sometimes happen.With token streaming, none of these problems occur, as the grantee is paid by the second. If the grantor notices that the grantee stopped working, they can simply cancel the stream, and get the funds back which haven't yet been streamed.

3. Discrete payments lack transparency because it's hard to aggregate them. When the tokens are streamed, anyone can check the Sablier interfaces to monitor the status of a stream and all transactions associated with it. Here is an example of a stream.

Why should the Arbitrum Foundation use Sablier?

Sablier is entirely free to use, has no token, and is a proven solution with (at the time of posting this) a TVL of $117M+ according to DefiLlama. The protocol was first launched in 2019 and quickly received support fromMakerDAO. Today, Sablier's token streaming solution is used by teams like Shapeshift, Nouns DAO, Astaria, Reflexer, and others for token vesting and payroll purposes.

Streaming on Sablier can be done by manually calling our contracts, via our interface, or via our Safe multisig app, making it a great fit for any set up. Every stream is associated with a unique link, which makes it easy to share the status of a stream with other people. Streams can be canceled by either the streamer or the recipient, which prevents any dead-end situation if an employee/contributor leaves or if certain KPIs aren't met while the stream is still running.

Conclusion

Sablier is a protocol that has stood the test of time and that can provide the Arbitrum Foundation with a great web3-native solution for grants. We would love for you to become a Sablier user.

Technicals

- Links: Twitter - Website - GitHub - Discord - Blog

- Our contract addresses can be found in thedocs.

- TVL of $120M+ according to DefiLlama across all versions of the Sablier protocol, as of July 24, 2023.

- Security: two audits from Cantina, plus five other audits from both individual auditors and other auditing firms Sablier

has been around since 2019 with 0 hacks and a cumulative TVL of over $1.5B.

- Fees: just like Uniswap, we have a built-in protocol fee, which is currently set to zero. We have no plans to adjust it any time soon, as we are focusing on growth and will be for a long while. If we ever do adjust the protocol fee, it will be applied to new streams (the fee is paid when creating the stream), not the ones already created.

- Control: Sablier is completely decentralized, permissionless protocol for token streaming. We have the ability through a multisig to update some of the protocol's configuration parameters, but the core part of the protocol is decentralized and immutable. We have no access to user funds. See our [governance page in our documentation](#) for more info.