

# Introduction

Community member tnorm recently [proposed an Incentive Program](#) aimed at enriching projects on the Arbitrum network. While promising, tnorm's proposal may disproportionately benefit well-established projects at the expense of smaller, innovative, and underfunded initiatives. This counter-proposal aims to address this gap and suggests a more balanced approach.

## Concerns with the [Original Proposal](#)

### Overlooking Underfunded Innovators

tnorm's original proposal sets stringent criteria for incentive allocation, which, while benefiting projects with high Total Value Locked (TVL) and trading volumes, leaves out smaller but innovative projects with TVLs in the range of \$50k-\$200k.

### Established Projects: Do They Need More Incentives?

It's not that established projects don't deserve support, but they likely already have a substantial user base and are generating profits from transaction fees. Do they really need additional incentives? Further bolstering them could result in a lopsided ecosystem, turning Arbitrum into an exclusive club with barriers too high for most new entrants to climb.

If the primary Key Performance Indicator (KPI) for these incentives is to boost user engagement with already established projects, the initiative may miss its mark. These projects already have a large user base; further incentives would likely only drive transaction volumes and temporarily inflate TVL due to the 'incentive effect.'

### Risks of an Exclusive Ecosystem

Concentrating incentives and resources on established projects risks turning the Arbitrum network into an exclusive club, closed off to smaller initiatives and new entrants. High barriers to entry could stifle innovation, limit diversity, and ultimately reduce the platform's competitiveness and resilience.

## A Revised Approach: Introducing the 'Innovation Grant'

To address these issues, I propose the introduction of an 'Innovation Grant' or 'Underdog Fund' within the existing Incentive Program framework.

### Benefits

1. Holistic Ecosystem:

This ensures a diverse and inclusive platform, inviting a broader range of talents and ideas.

1. Resilience:

A diversified project portfolio can offer a buffer against market volatility and ensure Arbitrum's long-term competitiveness.

### Implementation

1. Require Detailed Project Plans:

To understand the scope and feasibility.

1. Mandate Transparency:

Through regular updates and transparent reporting.

1. Conduct Technical Audits:

To ensure the codebase meets quality standards.

1. Assign Advisory Roles:

Involve Arbitrum Foundation or community members in an advisory capacity.

## Conclusion and Call to Action

Let's use these incentives to help smaller, promising initiatives rise to prominence instead of concentrating resources on projects that have already established their place. This way, we create a balanced ecosystem essential for the long-term

health of the Arbitrum network.

I invite tnorm and the community to consider these additional insights for a more comprehensive and effective Incentive Program. Thank you.

- Agree with Creedanew's Argument
- Agree with Tnorm's Proposal

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voters