

In light of the recent STIP vote I think there are a couple takeaways that we should try to improve on for future votes.

One of which is in my opinion the all-or-nothing nature of distribution of funds.

This probably caused significant levels of stress and responsibility for all actors involved, both teams/communities as well as the key delegates.

It also leaves us with a whole slew of good projects that ended up with no incentives just because they only managed to convince one or two top delegates less than some of the projects that did get the full request.

If a project provides great value to Arbitrum and the grant request has a lot of merit to it but it is simply deemed too excessive in the eyes of many delegates, the voting process itself should adjust this concern by just allocating a more proper amount.

Therefore I propose that in the future, funds should get distributed on a pro rata basis.

See the following simplified example of how funds could have gotten distributed instead.

I.e.

Project A asks 10M ARB

Project B asks 7M ARB

Project C asks 3M ARB

Total ask = 20M ARB

Budget = 10M ARB

Project A gets 100M votes

Project B gets 200M votes

Project C gets 50M votes

Now multiply the votes with ARB requested:

Project A: $10 \times 100 = 1000M$

Project B: $7 \times 200 = 1400M$

Project C: $3 \times 50 = 150M$

Total: 2550M

Now divide the budget with the total $\text{Vote} \times \text{ARB}$:

$10M / 2550M = 1/255\text{th}$

Now multiply this factor with the $\text{Vote} \times \text{ARB}$ request per project:

Project A: $1000M/255 = 3.9216M \text{ ARB}$

Project B: $1400M/255 = 5.4901M \text{ ARB}$

Project C: $150M/255 = 0.5882M \text{ ARB}$

Total distributed is 10M.

This gives every project that reaches quorum and a 50% in favour vote at least some part of the funding.

In addition to this, I would also opt to count the net total of votes (i.e. FOR votes subtracted by AGAINST votes) as otherwise an against vote is mostly useless.

As an example: This is what the distribution of the recent vote would have looked like if distributed as proposed.

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Screenshot 2023-10-14 062211

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