Motivated by the completion of <u>test #1</u> with the information from December 2023, we decided to conduct another test with the data provided by the delegates for January 2024.

### Incentive compensation criteria

As stated in the <u>proposal</u> and in <u>test#1</u>, there are certain rules that must be followed in order to obtain compensation at the end of each month. These rules are as follows:

1. Voting Power Greater than 50,000 Voting ARB Tokens:

According to the information collected from this <u>dune</u>, at the time of writing, there are a total of 186 delegates that meet this criteria.

1. Historical Tally Participation Greater than 25%:

This value is taken directly from the tally, specifically from the profile of each delegate, only those with a participation greater than 25% will be considered as eligible. It is important to note that for the calculation of this parameter only participation in proposals that are not tests

or those with the prefix "[OLD]"

are taken into consideration.

1. Monthly Participation Greater than 60% (TP 60%):

With the information provided by each delegate in the month, the monthly score or participation is calculated. Only those delegates with a score greater than 60% will be eligible.

1. Application Template:

As mentioned in the proposal, all delegates who wish to participate in the program must fill out an application template which will be posted in a dedicated <u>forum thread</u>.

- The confirmation template is as follows:
- Forum Username (Link):
- Twitter Profile (Link):
- Snapshot Profile (Link):
- Tally Profile with Exact All-time Participation Rate % (Link):
- Forum Username (Link):
- Twitter Profile (Link):
- Snapshot Profile (Link):
- Tally Profile with Exact All-time Participation Rate % (Link):
- Complete Foundation KYC:

Once a delegate's application has been confirmed

, in order to receive any sort of compensation, it is necessary for delegates to complete a KYC process administered by the Arbitrum Foundation. Applicants should send an email requesting the foundation's KYC process to compliance@arbitrum.foundation.

# **Test**

With these criteria, we proceeded to manually load the data of all the delegates in a table. The following aw data were obtained.

#### **Test month**

For the elaboration of this test we took as a sample the month of January 2024.

#### Proposals considered

Unlike test 1, in which all proposals initiated in December were taken into account, for this new test it was decided to take into consideration only the proposals that ended in January. These were:

#### Snapshot:

1. Proposal [Non-Constitutional]: Establish the ArbitrumDAO Procurement Committee

(Ended January 9)

1. Long-Term Incentives Pilot Program

(Ended January 16)

1. Pilot program Council Elections

(Ended January 23)

1. Pilot Program Advisor Elections

(Ended January 23)

1. Constitutional AIP - Security Council Improvement Proposal

(Ended January 25)

1. Election of Procurement Committee Members (ADPC)

(Ended January 30)

Tally:

1. [Updated] Proposal to Establish the Arbitrum Research & Development Collective

(Ended January 22)

1. [UPDATED] Experimental Delegates Incentive System

(Ended January 23)

Note:

The AIP: <u>ArbOS Version 11</u> proposal will not be taken into account for the recount despite being one of the proposals finalized in January. The reason is that it was already taken into account in Test 1.

## **Table: JAN 24 (60% TP)**

According to the criteria expressed above (TP 60%), in conjunction with the results of the calculations in the table, the delegates that would receive compensation would be as follows:

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](https://global.discourse-

cdn.com/standard17/uploads/arbitrum1/original/2X/b/b6ce45462d15d371ded9265be6f9c69a18cd2ce5.png)

To see the complete table click here.

# **Bonus Points (BP)**

Unlike the previous test, this time the bonus point was taken into consideration. There were several high impact contributions throughout the month which we collect in this <u>document</u>. Of all these individuals who contributed only 1 is a delegate (<u>@krst</u>), so he was assigned the corresponding bonus. You can find the evaluation rubric for these cases<u>here</u>.

BP Proposal:

Constitutional AIP - Security Council Improvement Proposal [Proposals

](/c/proposals/7)

This proposal was co-authored by the L2BEAT governance and research teams. Abstract This AIP seeks to propose changes to the structure of the security council so Arbitrum can maintain the "Stage 1" designation as per L2BEAT and not

fall back to "Stage 0" designation. Motivation On December 7, <u>L2BEAT published an update</u> to the security council requirements for the <u>Stages Framework</u>. The requirements were updated after a lot of research and feedback to make Stages more formal and precise. Ration...

Note:

We were also going to consider this post from L2Beat for the bonus point, but the proposal was dropped.

#### **Test Results**

As in the previous test, despite the fact that the program is designed to give incentives to the TOP 50

thin people who meet all the criteria, for the month of January 2024 only 12 Delegates

met enough attributes to obtain compensation. These can be viewed below:

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778×371 46.1 KB

](https://global.discourse-

cdn.com/standard17/uploads/arbitrum1/original/2X/c/c7fee2be1c4502dd06f077ea807b78d45237d199.png)

We would like to emphasize that the requirements are not exhaustive. Even if you are a delegate with a low Participation Rate (PR%) but with active participation during the month you can exceed 60% of the required PT.

Additionally, it is important to note that in order to reduce the workload, the table was filled by ignoring from the beginning those delegates who did not have the minimum of 25% participation in Tally. Since, as specified in the rules, it is imperative that this requirement be met.

In case there is any error in the data upload or any other concerns, we encourage the community to provide feedback to make this process as accurate as possible.

### **Considerations**

- As a source of truth we used Tally votes, Snapshots and delegate comments posted on the Forum. Acollection was
  made where both the Communication Rationales and the comments considered to have a high impact on the debate
  and the proposal can be identified.
- While we understand that delegates use other media to discuss, for the moment we will only use these media as a source of truth, in the future if the DAO wishes, new sources will be added.
- For this test, only comments during the month of January were considered.
- As in the previous test and as mentioned in the proposal @cattin should not be included in the accounting.

#### Additional data

With the data collected in the table we have a more specific picture of delegate participation in governance:

- Only <u>186</u> delegates have more than 50k Voting Power.
- Of the 186, only 66 exceeded 25% PR in Tally.
- The expense that the DAO would assume for the month of December for delegate incentives alone would be 41954.16 ABR
- Any delegate with a 25% PR

in tally, having participated in all the voting (tally and snapshots) and commented at least 50%

of the proposals or issued only the rational, exceeds the 60%

of TP that allows him/her (as long as he/she is within the 50) to access the incentives.

# Final

In this second test we were able to try out new ideas to optimize the framework before it goes live in March. These new ideas helped us to see more of the true potential of the program. However, for this program to have the desired effect, the active participation of the forum delegates is necessary.

In this test the table was filled in manually, so there may be a human error factor, to address this we are actively working with Karma to automate the counting of certain parameters.

As in the previous test there was a low number of delegates who met all the requirements to be compensated.

Once the program starts, we are confident that there will be a greater dynamism in the DAO and a better organization when it comes to voting, commenting and communicating voting intentions.

We invite all delegates to apply for the program and fill in the template with all the information requested in this read.

In case you have any questions, need help or think you can give feedback on how to improve the program, you can do so by posting in this <u>thread</u>.

We encourage delegates to participate and give their best effort to improve participation in the forum and the arbitrum ecosystem in general.