

This report draws lessons from over 50 DAO token swaps between 2021 and 2023 to identify patterns leading to successful DAO-to-DAO coordination. In this report's second half, the insights are used to assess the utility of DAO token swaps for Arbitrum.

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5 Point Summary

- Token Swaps are ecosystem enablers allowing DAOs to form alliances, share upside and costs, align governance, and hedge exposure through treasury diversification.
- Every token swap consists of three acts: the pre-swap (exploration), the execution (ratification), and the post-swap (relationship management).
- Product integrations, high talent retention rates, healthy onchain treasuries on both sides, active utility of the tokens being swapped, and clearly defined milestones are the ingredients of successful token swaps. L2 blockchains swapping with dapps should have follow-on programs to make the most of token swap initiatives.
- After removing outliers, the value of executed token swaps considered for analysis was \$89.2 million. 10 DAOs accounted for 81% of the value, with Olympus DAO executing the highest volume of swaps at 21.8%
- Arbitrum DAO has an opportunity to engage with select grantees from LTIPP and STIP (111 possible candidates) through a 10 million ARB pilot program to gain insights on integrating token swaps as ecosystem enablers.

[You can read the full report here ←](#)

The report also provides a foundation for our draft Pilot Proposal: Arbitrum Token Swap Program. We're seeking feedback and input from ARB stakeholders on both the report and draft proposal.