Constitutional / Non-Constitutional

Non-Constitutional

Abstract

Tally has contributed to the Arbitrum DAO as a service provider since the DAO was created one year ago, serving as the home for <u>onchain governance</u>, <u>security council elections</u>, and <u>delegation</u>. We've gathered feedback about how we can improve our support for Arbitrum through many conversations over the past year with DAO stakeholders including delegates, contributors, and Foundation representatives. We propose to expand our support for the Arbitrum DAO by improving the proposal process, upgrading the Governor contracts, and highlighting delegate contributions. We also propose to ensure that the DAO is set up for success by researching specifications for partial delegation and shielded voting.

Motivation

Arbitrum is the largest and most decentralized DAO in the world. Tally is highly invested in the success of both the Arbitrum DAO specifically and the Arbitrum community as a whole. We have a strong track record as an Arbitrum governance service provider, ecosystem builder, and delegate. Tally continuously ships improvements for the Arbitrum DAO, includingtransfer actions, improved Safe support, proposal collaboration, and the nominee selection stage of Security Council elections. This proposal would enable us to invest more resources into the Arbitrum DAO and scale up our impact.

The majority of the improvements outlined in this proposal are specific to Arbitrum's unique implementation of onchain governance and will not be re-used in other DAOs. We are long-term partners to the Arbitrum DAO who plan to continue investing specifically in making Arbitrum governance great.

Rationale

This proposal contributes to Arbitrum Community Values by making the Arbitrum DAO more socially inclusive, technically inclusive, and user-focused. Our proposed improvements make it easier for contributors of all backgrounds and technical abilities to engage with Arbitrum governance.

Specifications and Steps to Implement

We propose to expand our support for the Arbitrum DAO by improving the proposal process, upgrading the Governor contracts, and highlighting delegate contributions. We also propose to ensure that the DAO is set up for success by developing a specification for partial delegation and shielded voting.

Improve the proposal process

Watch a demo video <u>here</u> - note that this demo is designed to provide a general overview of the user experience. It is not a final design.

- Link forum proposal posts and Tally proposals so that delegates can create Tally proposals from forum posts, see
 forum proposal comments directly on Tally, and be updated by a Tally Discourse bot when onchain proposals are
 created.
- In order to show posts on the proposal page, Tally would need Embedding permission
- In order to post "this proposal is now onchain (link)", the Tally Discourse bot would need an API key with topics.writepermission from https://forum.arbitrum.foundation/admin/api/keys/new
- In order to show posts on the proposal page, Tally would need Embedding permission
- In order to post "this proposal is now onchain (link)", the Tally Discourse bot would need an API key with topics.writepermission from https://forum.arbitrum.foundation/admin/api/keys/new
- Build a diff checker into Tally proposals that shows what text has changed from Snapshot without having to click back over to Snapshot, to help delegates understand any relevant changes from the temp check phase to the onchain governance phase.
- Enable cancel functionality on Tally proposals so proposal creators can cancel onchain proposals if there are mistakes. (see upgrade Governor contracts section)
- Develop full proposal execution integration by dynamically showing <u>each phase of proposal execution</u> with accurate time stamps so that contributors and delegates can easily manage proposals through the execution process.
- Improve support for late quorum extension on Tally so onchain proposals are automatically extended on Tally when

late quorum extension is triggered.

- Fully integrate the <u>quorum of each Governor</u> throughout Tally, including on the proposal page and the delegates page so that delegates always know exactly how much voting power is required to reach quorum.
- Show <u>Security Council</u> transactions on the main <u>Arbitrum DAO page</u> on Tally so the DAO can easily view actions taken by the Security Council.

Upgrade Governor contracts

We're planning to partner with <u>Scopelift</u> to implement the upgrades. Scopelift is the developer of Flexible Voting and has deep experience with high-value governance contract upgrades.

- Add a <u>cancel() function</u> to the Arbitrum DAO's implementation of OpenZeppelin Governor so proposal creators can cancel onchain proposals if there are mistakes.
- Add <u>Flexible Voting</u> to the Arbitrum DAO Governors to enable future innovations like voting from Orbit chains, voting from DeFi contracts, and shielded voting.

Highlight delegate contributions

Watch a demo video here - note that this demo is designed to provide a general overview of the user experience. It is not a final design.

- Integrate Karma's delegate score and contributor metrics into Tally's delegate page so token holders and DAO stakeholders have access to holistic participation information. Karma will provide the following via their API:
- Onchain and Snapshot voting pct, delegator count, voting power, list of delegators
- · Stats for different timeframes: Lifetime, last 30 days, last 90 days etc
- Various sorting criteria (score, voting power, voting pct, forum activity)
- · Onchain endorsements by peer delegates
- Updates to the scoring logic if needed (Based on community feedback)
- Software maintenance and keeping data updated on daily basis
- · Onchain and Snapshot voting pct, delegator count, voting power, list of delegators
- · Stats for different timeframes: Lifetime, last 30 days, last 90 days etc
- Various sorting criteria (score, voting power, voting pct, forum activity)
- · Onchain endorsements by peer delegates
- Updates to the scoring logic if needed (Based on community feedback)
- · Software maintenance and keeping data updated on daily basis

Research to set the DAO up for long-term success

- Research a partial delegation solution so that token holders can delegate to more than one address.
- Research a solution for shielded onchain voting so that large delegate voting does not influence other voters during the voting or election period. Ensure that this solution applies to Security Council elections.

Timeline

Research and Design: 0.5 months

Development: 2 months

Testing, audit, and deployment (includes DAO proposal): 2 months

Total:

4.5 months

Overall Cost

Improve the proposal process: \$120,000 USD in ARB

Upgrade Governor contracts: \$50,000 USD in ARB (100% will go to Scopelift)

Highlight delegate contributions: \$40,000 USD in ARB

• Tally: \$20,000 USD in ARB

• Karma: \$20,000 USD in ARB

Research to set the DAO up for long-term success: \$10,000 USD in ARB

Total:

\$220,000 USD in ARB

special thanks to the DAO Ops Excellence team at GovHack who helped moved this proposal forward@shawn16400 @hiringdevs.eth @hung-vu @cbxm