

# DRep Compensation Philosophy

Discussion & Polling

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# Section 1: Measuring DRep quality

Let's decide

# What metrics should be considered in evaluating DRep quality?

Unique value for the ecosystem to grow and thrive

Voting rationales  
Engagement with the community

We can count how many wallets are delegated to a DRep as a measure of engagement.

persistence

Objectives //  
Completion ratio

Number of wallets that engage with delegation to a drep

Participation. Evaluation anything else is difficult to derive from tertiary choices.

We should first vote if we even want to have DRep compensation

Let's decide

# What metrics should be considered in evaluating DRep quality?

Region representation

A DRep should connect with the community they represent, so having a way to share their thoughts and voting rationale should be a metric.

Participating in governance processes fully. Adding to the discourse with rational and reasonable informed responses to governance actions.

Prior understanding of the ecosystem and technology. Participation in the ecosystem, voting activities, and education of delegates and broader community

does it vote in each process?

How is quality defined?

Ability to effectively communicate through various channels with delegators and gather consensus so as to reflect as wide as possible the voice of the delegators.

not wanting compensation



Let's decide

# What metrics should be considered in evaluating DRep quality?

Amount of delegates  
Average delegation in ADA  
Active not inactive DRep  
Ranked votes with rationale  
DRep Code of Conduct  
downvoting unconstitutional governance actions

The ability to engage with the represented community in their local language is also an interesting measure.

Number of different delegators.

Quality of « justification » arguments added to on chain vote

Rationality by voting

Depends who is measuring DRep quality. For a delegator some metrics are important, like whether the DRep represents his/her views. For others, other metrics might be important.

2 timeframe scopes: 1 short term and long term

ongoing participation, engagement, understanding and experience of cardano eco system & communication skills.

Let's decide

# What metrics should be considered in evaluating DRep quality?

ways that dreps engage with the community  
searching for delegation

1. Consultation with the community  
2. Healthy debate with other DReps

Are we creating more critical thinkers

How often they vote  
Length of service  
Metadata confirms to standards  
Delegate satisfaction (as measured by churn rate)  
Contactable  
Vote rationales provided  
Trending (increasing in delegates)

Voting Rationale

Voting participation

Long term impact on Cardano's growth.  
Annual bonus

Ethical - eg agreement to Code of conduct.

Let's decide

# What metrics should be considered in evaluating DRep quality?

Diversification of activities in the ecosystem. That is, is the DRep doing other things in the ecosystem

Voting participation and rationale commutation ration with a minimum VP requirement

Quality is subjective, will we have an AI oracle that judges quality of Rationales

participation in the proposals socialising on gov.tool before Gov action

how dreps make polis

A good DRep communicates their decisions, reasoning, and voting behavior openly and regularly to the community.

Voting in (almost all or say at least 90%) of the proposed governance actions

They disclose any potential conflicts of interest and recuse themselves from decisions where necessary.



Let's decide

# What metrics should be considered in evaluating DRep quality?

By favoring one region over another, you indirectly discriminate against all the others

% of GA voted / Total GAs

Ada holders who are delegating will apply their own metrics.

Measure the number of local events, workshops, or outreach efforts conducted by DReps in their regions.

Track the number and impact of proposals that address the needs of specific regions.

Quality is the wrong metric to look at

Measuring number of delegators can easily be gamed, especially for more tech savvy individuals

how comes after if



Let's decide

# Should DReps be compensated? Why or why not?

YES. In order to have a decentralized governance we need to provide the opportunity to participate to those who can't afford to work for free.

Yes, otherwise only people who can afford not to be compensated will serve as DReps

Yes. All history IRL and in Crypto says having comp gives strong gov with high quality

Yes. Because it helps DRep have the motivation to call for delegations and attract more quality DReps.

It should be in place to encourage DRep for their efforts and to motivate them.

Yes, since a well functioning governance system must have an appropriate incentive system to encourage high-quality participation

Yes, Compensation is also a tools to shape good behavior

It is a gov security risk not to have engaged and high quality on DRep.

Let's decide

# Should DReps be compensated? Why or why not?

A poorly designed incentive system could endanger the protocol. We don't want people to register as a DRep simply to collect rewards.

Yes Compensating DReps in a timely manner ensures they remain motivated and accountable, helps maintain high-quality governance decisions, and discourages behaviors like collusion.

Yes. But the framework needs to be in place before the how and how much

We should be clear about what we are trying to achieve by implementing a DRep compensation model.

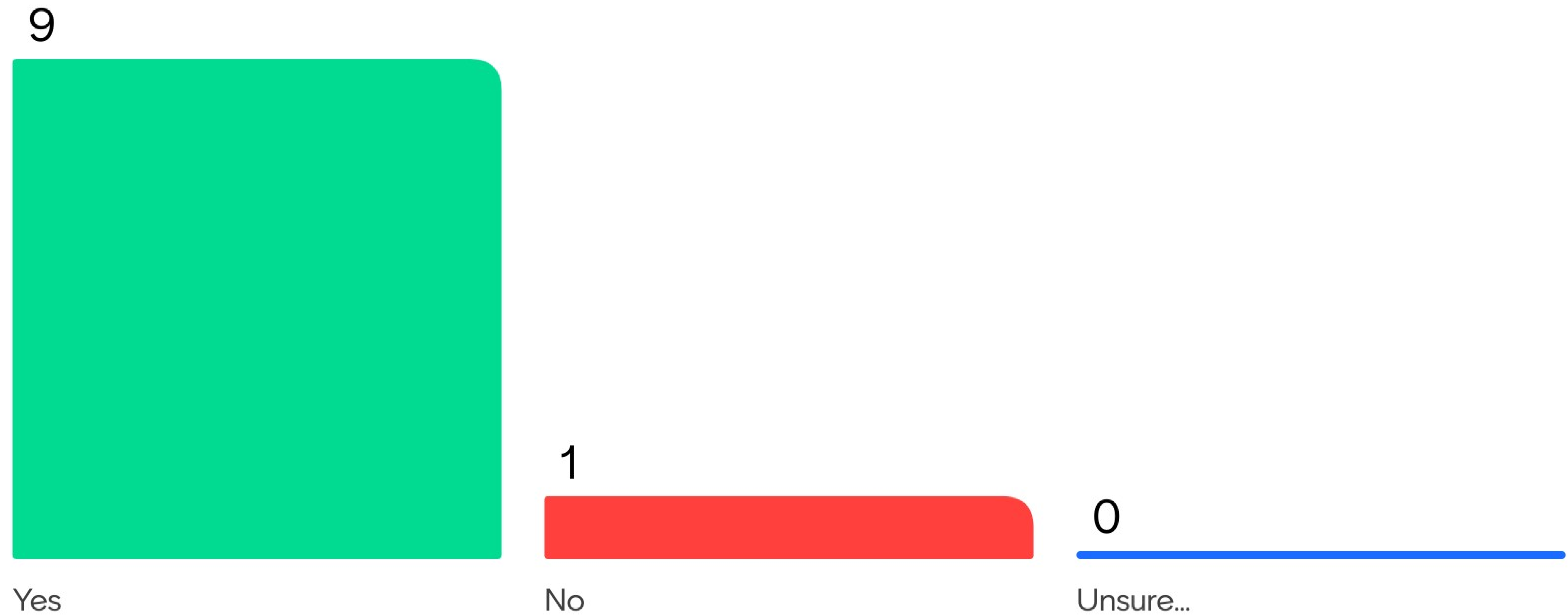
No, It's too early to determine an appropriate compensation model at this early stage in governance

To just see how things go without a plan B, is also a very bad strategy. As there is so much at risk.

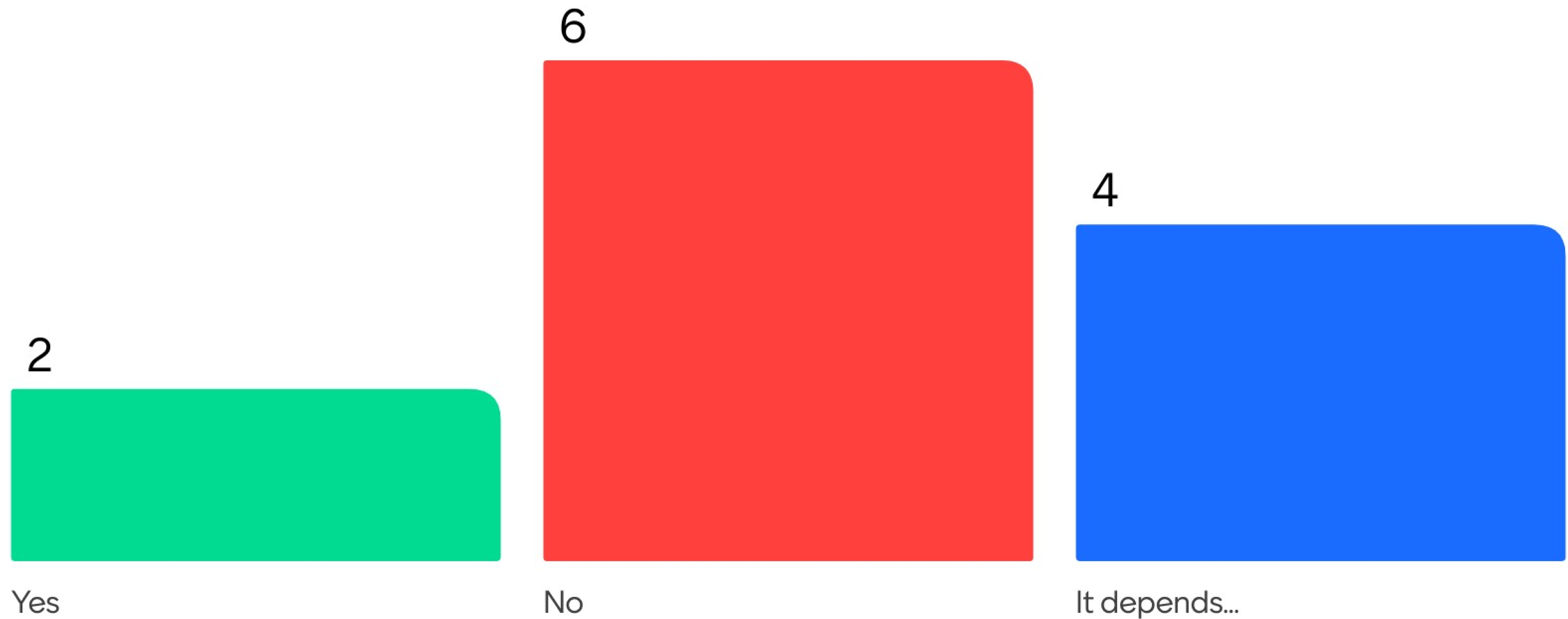
uncompensated representatives may be more susceptible to external monetary influence, while well-designed rewards create a more resilient governance system

On Bee's point, what data do we have from actual DReps about the time relative to their output? \* any data from the user (DRep) that is driving this discussion?

# Should DReps be compensated for their work?

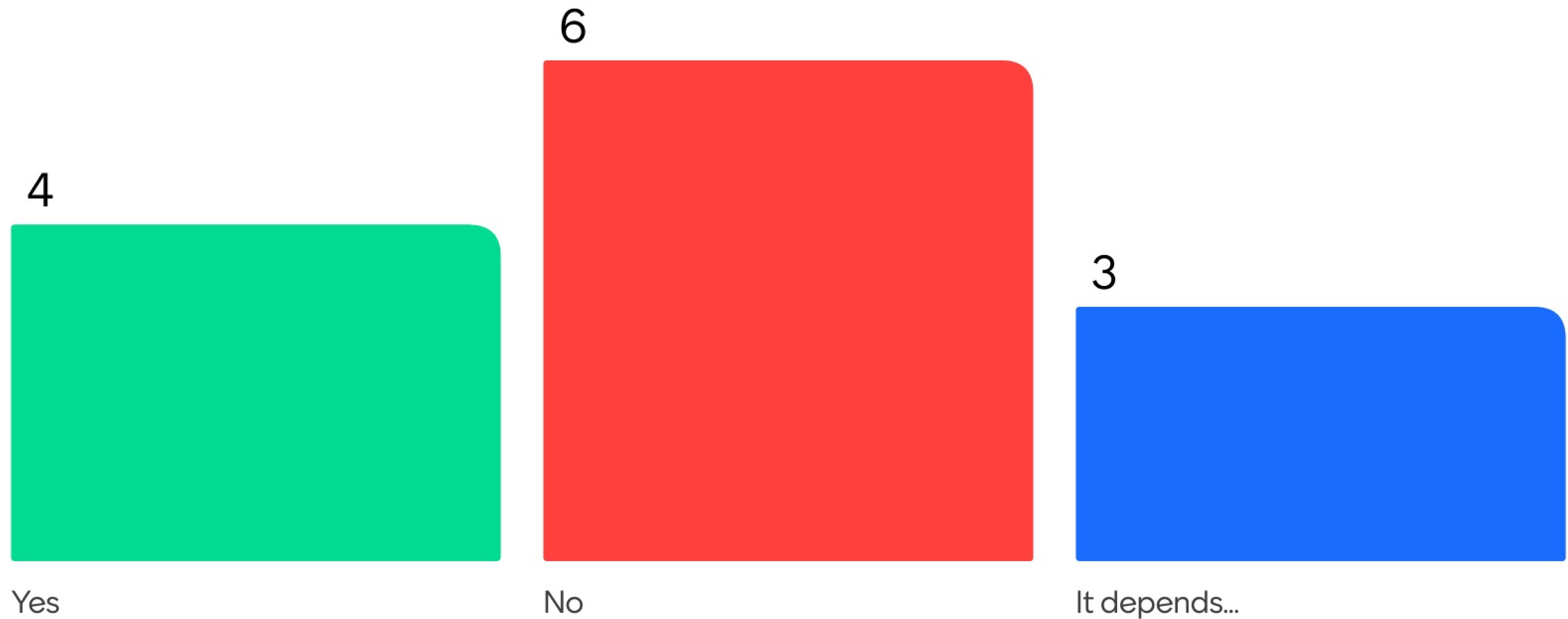


Should DReps be required to attend a particular training/event/session/certification to qualify for compensation?



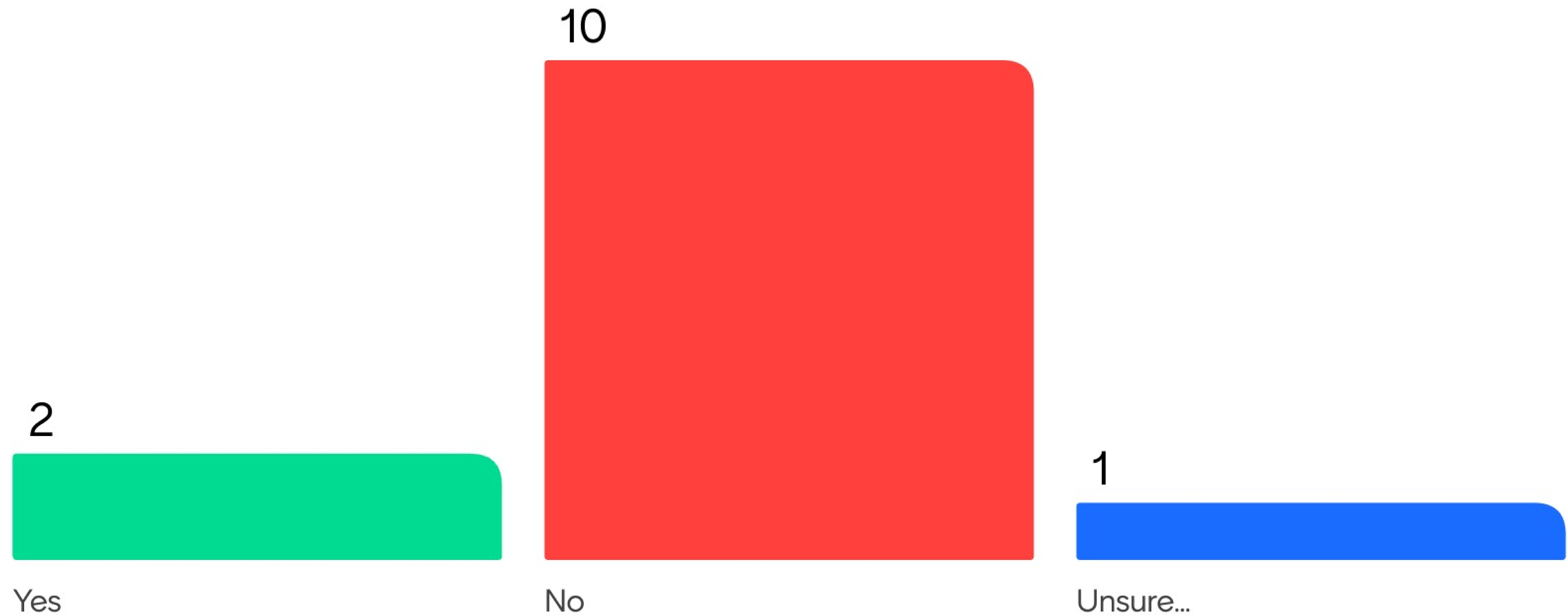


Should provision of GA voting rationale be considered?



# Section 2: Compensation

Should economic parity between different geographic contexts be accounted for?



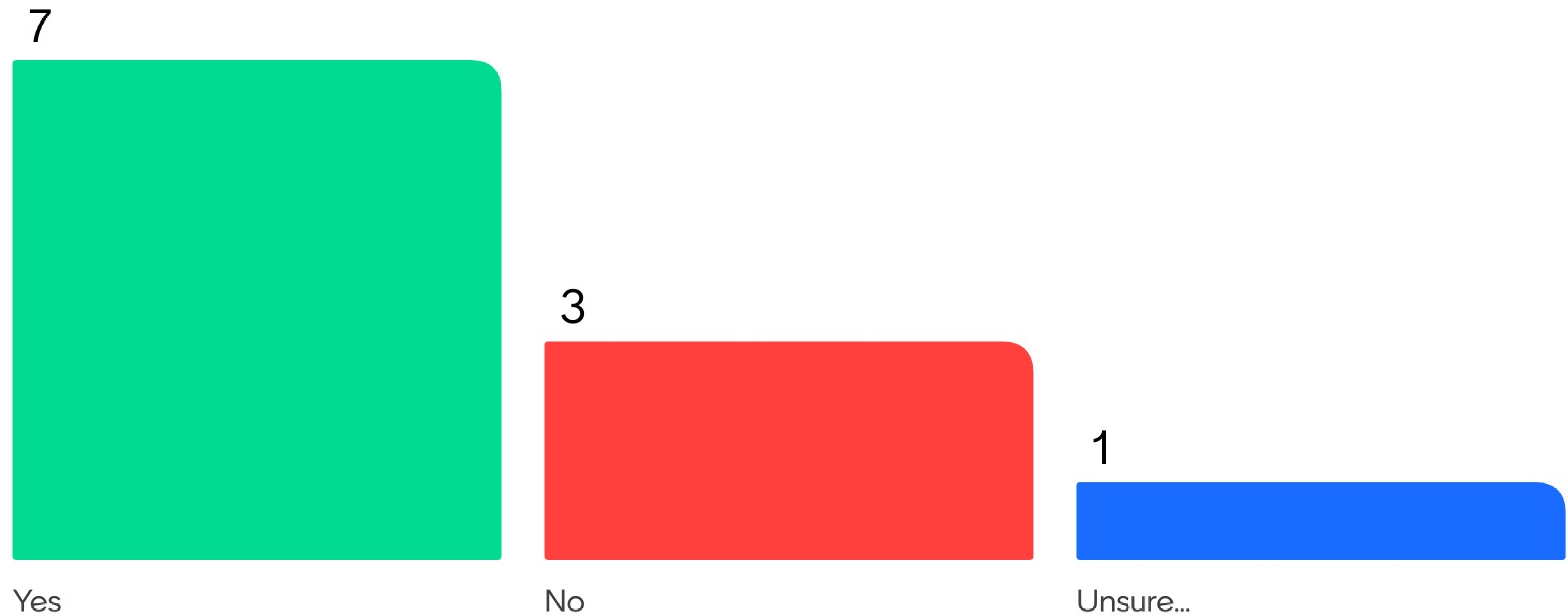
Should provision of GA voting rationale be considered?



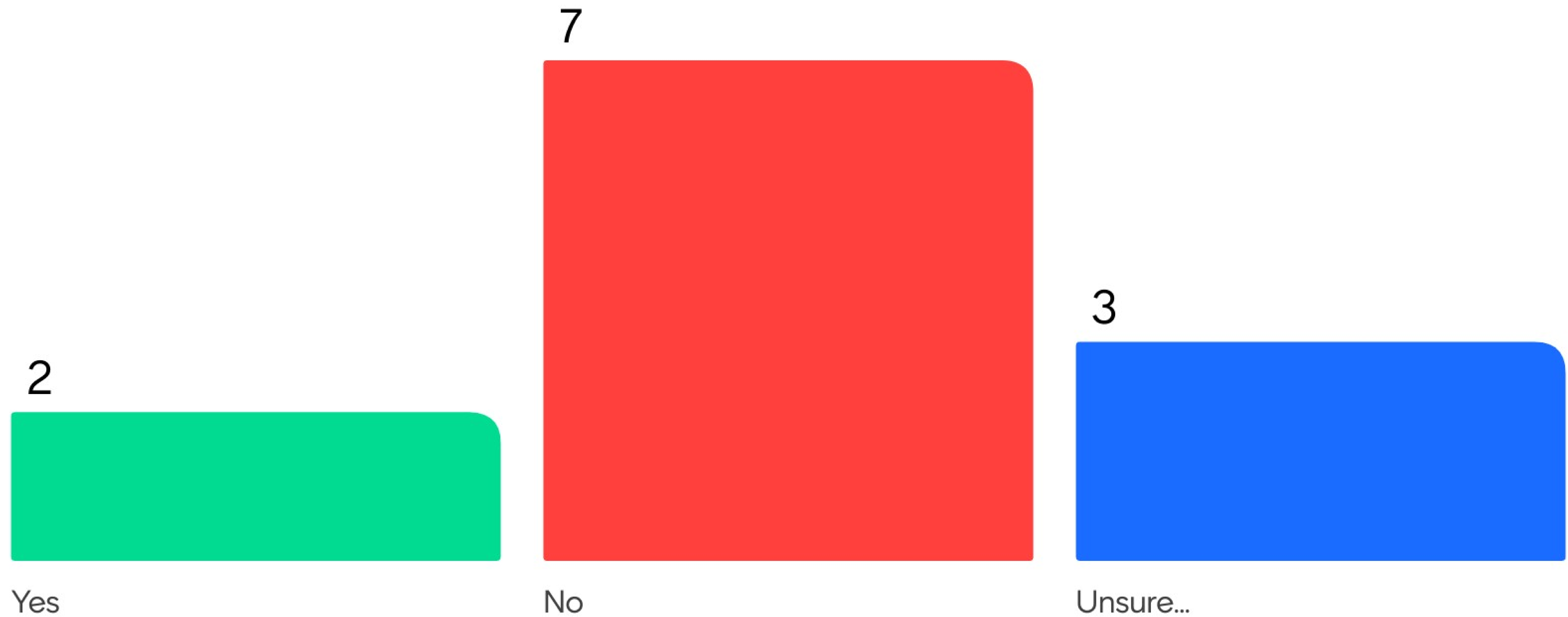


# Section 3: Further research (time permitting)

# Should we A/B test multiple rewards schemes?



Should verification random function (i.e. lottery) system be used to distribute rewards?



Let's decide

# What other avenues for further research should be considered

[https://www.perplexity.ai/search/give-me-a-breakdown-of-delegat-OWkr\\_urpQBCNoQ9cMgJdHQ#0](https://www.perplexity.ai/search/give-me-a-breakdown-of-delegat-OWkr_urpQBCNoQ9cMgJdHQ#0)

Performance-Weighted Lottery : Higher effort = higher lottery weight

study use cases & experiences from other blockchain ecosystems

Let's ask the community about their stance by proposing an info action

Optimal Number of DReps and Stake Distribution Investigating how the distribution of stake impacts governance stability and decision-making accuracy.

Designing Penalty Mechanisms Against Bribery and Vote Manipulation Creating slashing mechanisms to penalize fraudulent or malicious voting behaviors.

Investigating whether multi-phase incentives (vesting rewards over time) increase DRep retention and commitment.

Using DIDs/SSI/Zk to enable permissionless verification of identity without disclosing private or personal information. Potential future applications for 1p1v.



Let's decide

# What other avenues for further research should be considered

DRep "Pooling" together or "Solo" DRep how would that implement the dynamic

Investigating whether a diverse distribution of stake leads to more stable governance.

I think a combination would be more balanced, encouraging new DReps while not overlooking active ones. And also learn from the other ecosystems

Studying the trade-offs between immediate vs. deferred compensation in influencing governance behavior

Investigating the role of non-monetary rewards (e.g., reputation systems) in motivating DReps

Analyzing whether performance-based incentives lead to higher quality governance decisions.

I would like to see a benefit analysis of having a cap on voting power

It is necessary to consider a mechanism to exclude inactive DReps from rewards and automatically remove them.

Let's decide

# What other avenues for further research should be considered

Additionally, a mechanism should be considered to prioritize DReps who have completed the training program and actively participated in voting with well-documented reasoning.

There should be a limit on both the maximum and minimum voting power required to be eligible for rewards.

Let's decide

# What info action should be put forward to validate next steps on this topic?

should DReps receive financial compensation from the Treasury ?

Should dReps be compensated? (y/n)

Establish accountability measures (e.g., reporting requirements, performance metrics).

Budget for DRep rewards

The info action should contain the framework around if and how DReps should be compensated.

Hey! To secure the blockchain and its gov model with engaged and high-quality voting. All history says a DRep compensation is a good thing: Do you agree Y/N

Should DReps be compensated according to the proposed model?

Should different reward models (fixed, lottery-based, hybrid) be A/B tested before full implementation? Y/N



Let's decide

# What info action should be put forward to validate next steps on this topic?

Should we allocate a budget amount to DRep compensation understanding that nothing will be spent unless and until an approved compensation framework has been implemented.

Should objective criteria be defined for DRep compensation eligibility?  
Y/N

Should smart contracts be audited before implementing any new DRep reward system? Y/N

Should the treasury mechanism be reviewed to ensure compatibility with new reward structures? Y/N

1. First, we should ask the community if there should be a DRep compensation model: "Should we implement a DRep compensation model?" With metadata that provides neutral pros and cons

Should academic research be commissioned to evaluate long-term incentive structures? Y/N

Should success criteria be established before running incentive model tests? Y/N

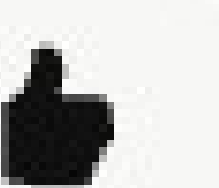
Should Cardano governance incentives be compared with those in other blockchain networks?  
Y/N



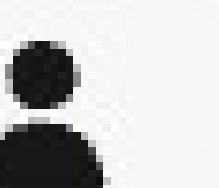
Let's decide

# What info action should be put forward to validate next steps on this topic?

Jose is a great host :)



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Additional thoughts on the topic or feedback on this workshop?

**12 questions**  
**3 upvotes**

Great work! 🙌

Thank you for participating and deciding together