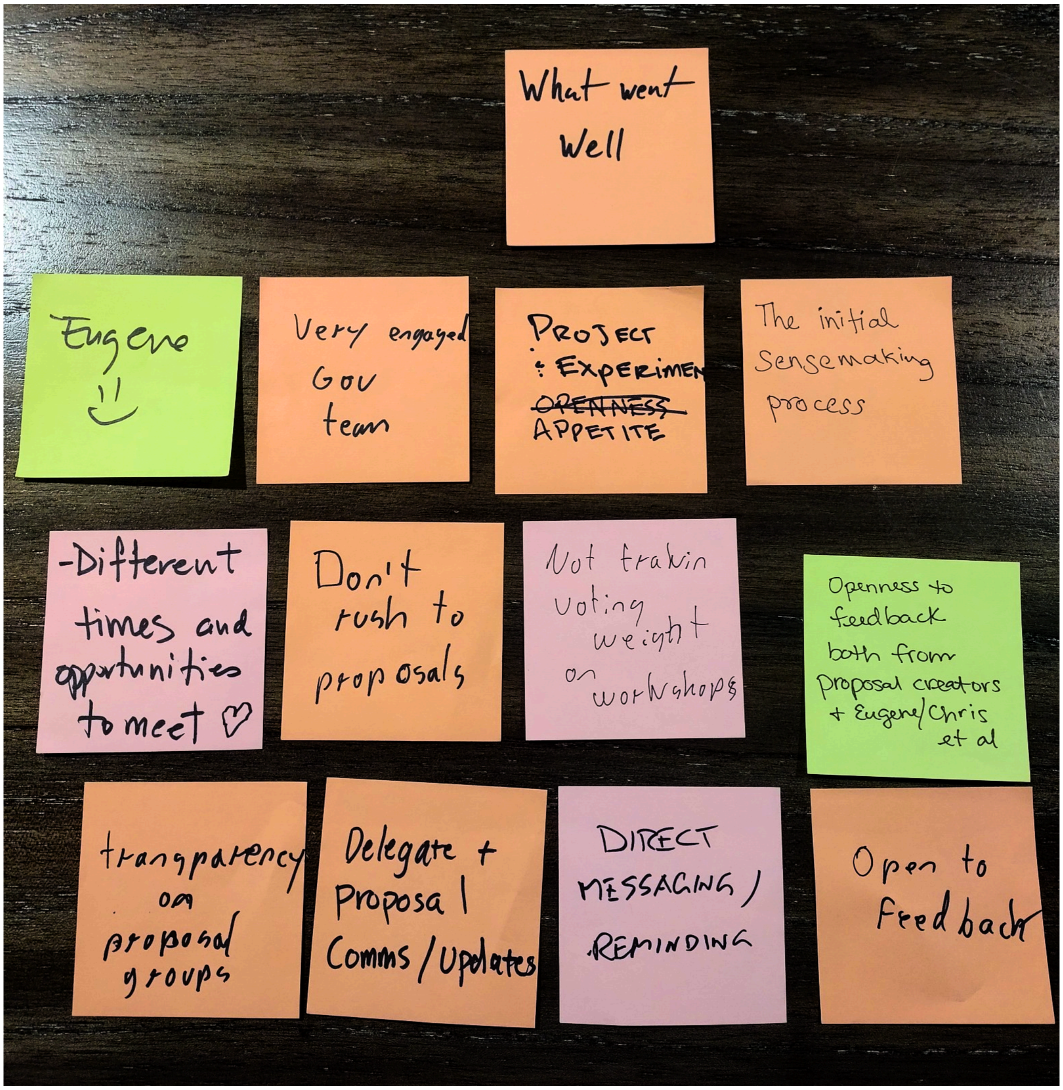
Scroll Delegate Day: EthDenver 2025

On Friday, February 28, 2025, at ETHDenver, we convened the delegates who were in Denver to both take a step back to look at the first few months of the DAO and to get some input for activities going forward. We started the day by exploring what we got right, where we stumbled, and how we can improve. Through a mix of structured workshopping and open discussion, we surfaced insights from the past cycle and aligned on six-month priorities and key working groups.

Recurring Themes

- **Delegate Clarity & Engagement** – Roles, voting accountability, and incentives need improvement.
- **Proposal Quality & Volume** – Need clearer proposal leads and more submissions.
- **Ecosystem Growth & Strategy** – Strengthen verticals, research, and community education initiatives.
- **Treasury & Incentives** – Improve fund allocation and participation incentives.
- **Communication & Transparency** – Better storytelling, clearer governance processes, and more alignment on success metrics.

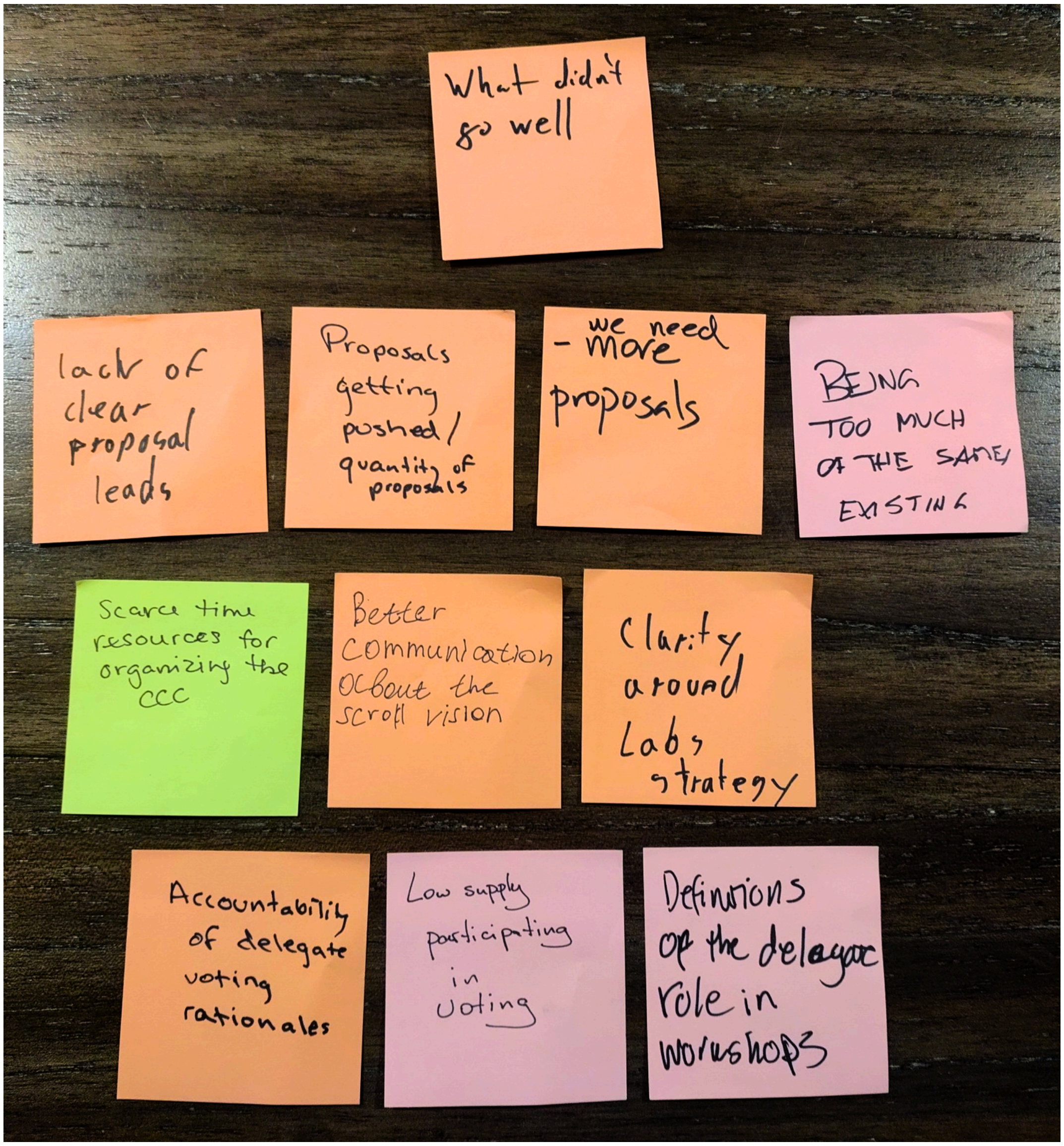
Workshop Notes Notes:



What Went Well

- **Effective Processes & Communication**
    - Initial sensemaking process
    - Direct messaging & reminders
    - Delegate & proposal comms/updates
    - Transparency in proposal groups
- **Openness & Engagement**
    - Open to feedback
    - Very engaged governance team
    - Flexibility in meeting times
- **Strategic Approach to Proposals**

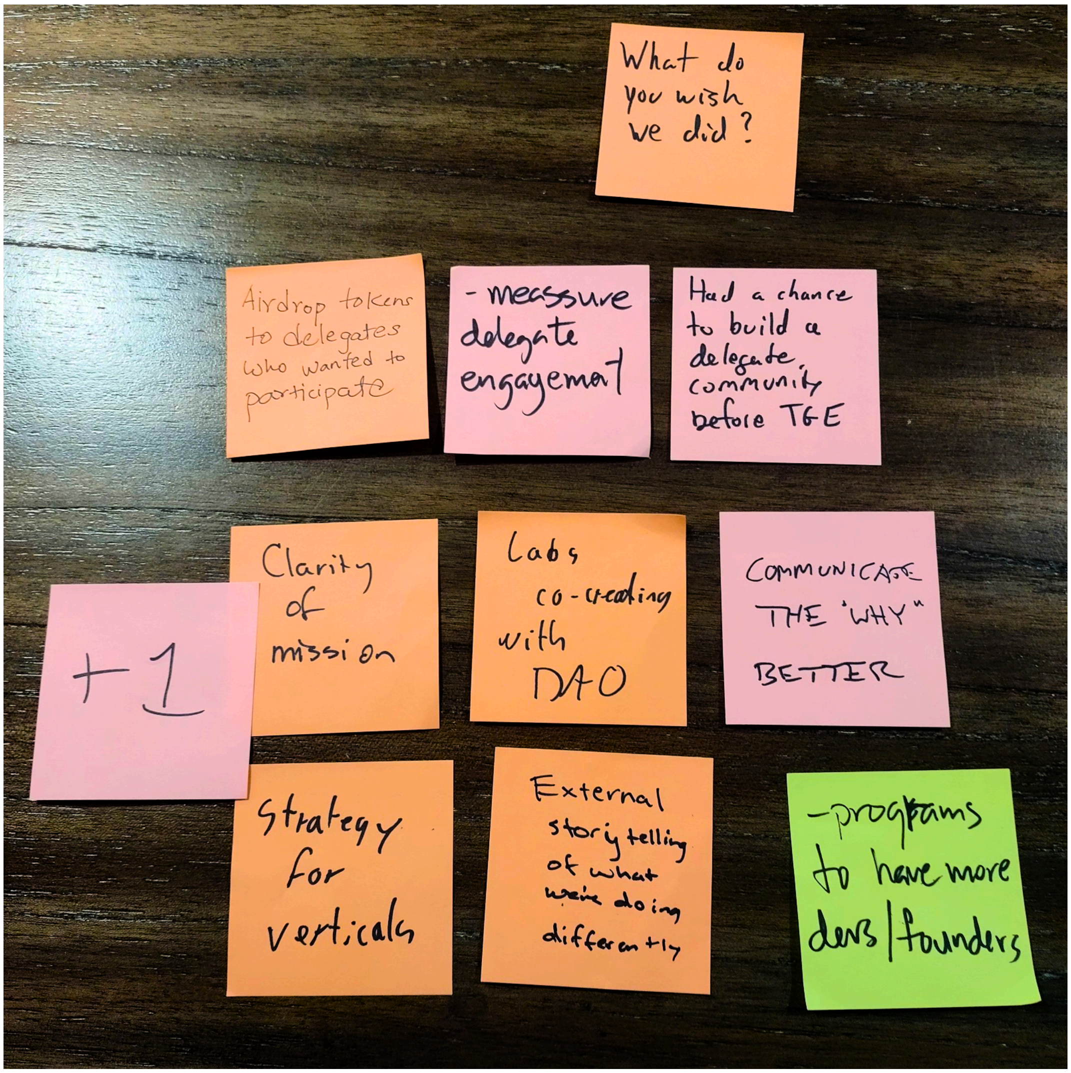
    - Avoiding rushed proposals
    - Appetite for project experimentation



What Didn't Go Well

- **Roles & Voting**
    - Unclear delegate role in workshops
    - Accountability of delegate voting rationales
    - Low participation in voting
- **Proposal & Strategy Challenges**
    - Need for more proposals
    - Lack of clear proposal leads
    - Proposals getting pushed without enough quality control

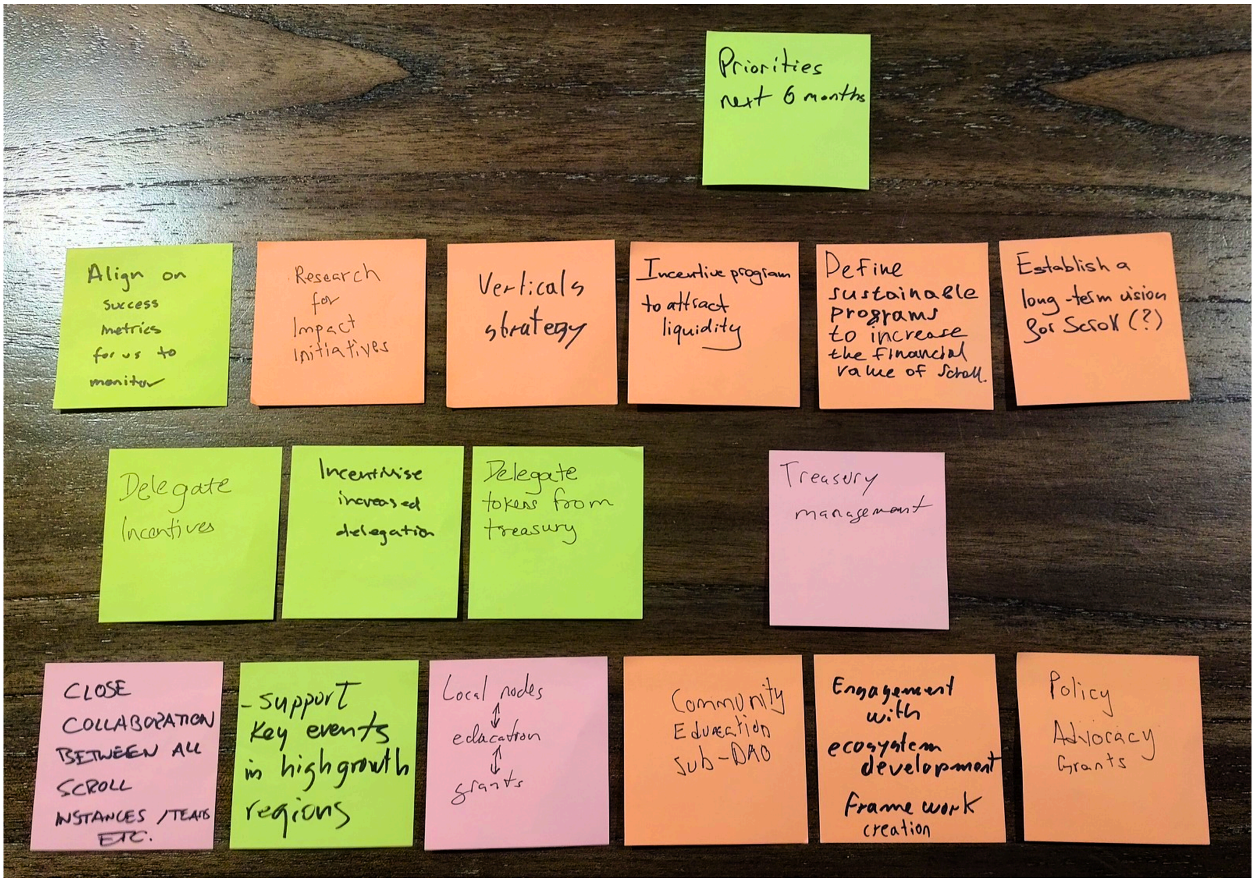
    ○ Too many similar proposals
- **Resource & Organizational Constraints**
    ○ Time scarcity for organizing the CCC
    ○ Clarity needed around Labs strategy



What We Wish We Did

- **Stronger Delegate Engagement**
    ○ Airdrop tokens to delegates pre-TGE
    ○ Measure delegate engagement
- **Better Communication on Strategy**
    ○ Clearer messaging on Scroll's vision & mission
    ○ Communicate the "why" better
    ○ External storytelling on what makes Scroll different

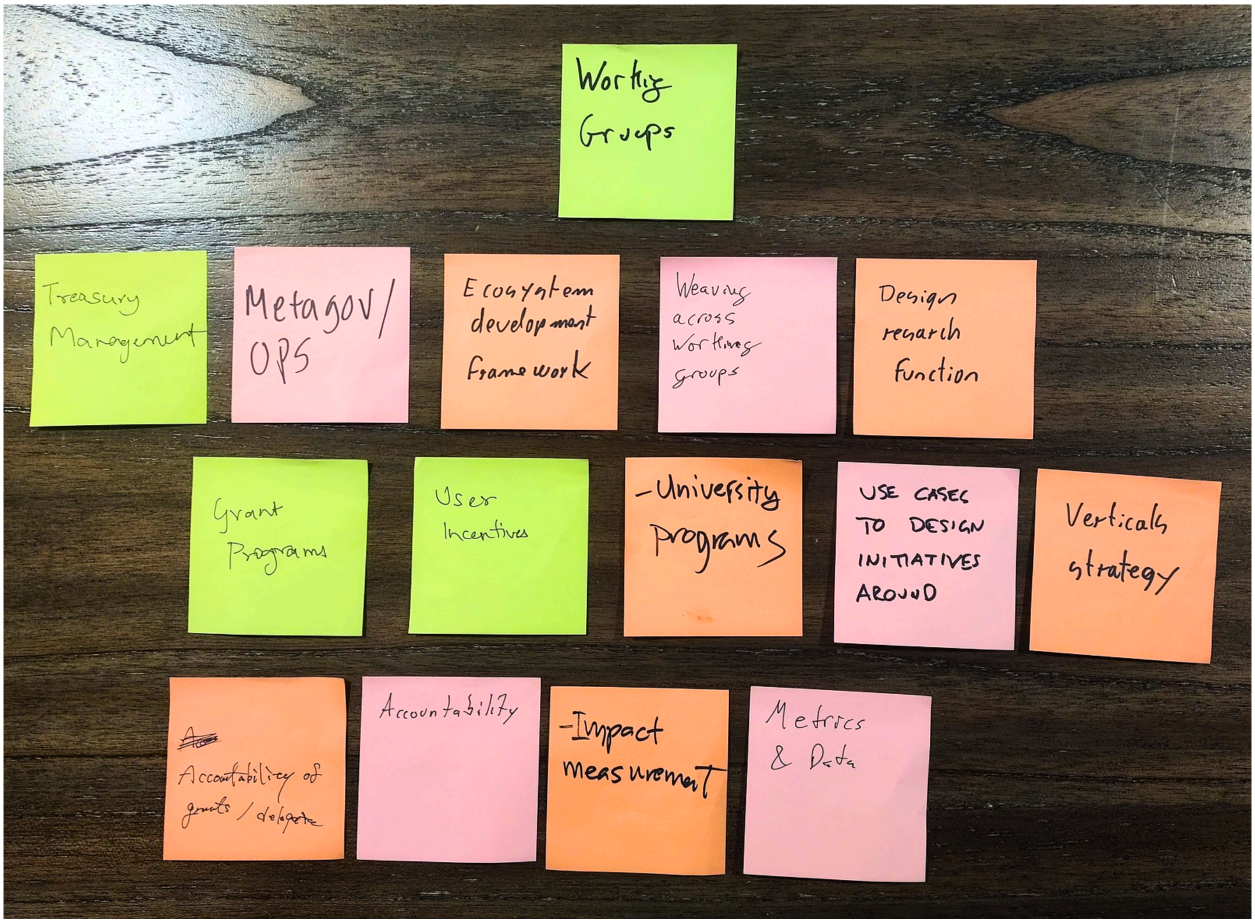
- **Ecosystem & Proposal Development**
  - Ecosystem problem prioritization
  - Labs co-creating with DAO
  - Strategy for verticals
  - Programs to bring in more devs/founders



Priorities for the Next Six Months

- **Governance & Treasury**
  - Treasury management
  - Delegate tokens from treasury
  - Incentivize increased delegation
  - Define sustainable programs for financial value
- **Ecosystem & Community Growth**
  - Policy advocacy & grants
  - Community education sub-DAO
  - Local nodes supporting education & grants
  - Support for high-growth region events
  - Close collaboration across teams
- **Strategic Development**

- Establish a long-term vision for Scroll
- Verticals strategy
- Research for impact initiatives
- Align on success metrics



Working Groups Focus Areas

- Accountability for grants & delegates
- Metrics & data tracking
- Impact measurement
- Ecosystem development framework
- Design research function
- Weaving across working groups
- Treasury management
- Grant programs
- User incentives
- Verticals strategy

Open Discussion Notes:

During the open discussion, many emergent topics were explored. Below are the notes from these discussions. These are not final agreements but rather reflections, concerns, and ideas that emerged.

Governance Participation & Voting Challenges

Context

Participants discussed quorum issues, governance accessibility, and the broader challenges of voter participation. The conversation covered past examples, structural vulnerabilities, and potential solutions to improve engagement and decision-making.

Key Discussion Points

> Quorum Issues

- Quorum issues can be a structural vulnerability rather than an intentional governance attack:
  - Uniswap addressed quorum challenges by creating the Underrepresented Delegate Program, which was designed to increase participation.
  - Incentive programs may be necessary to ensure quorum, as many DAOs rely on a fixed quorum threshold that does not adjust dynamically.
  - Quorum failure can impact DAO functionality, potentially leading to governance gridlock.

> Votable Supply & Governance Accessibility

- Concerns were raised about governance accessibility, as voting power could be consolidated if individuals can simply purchase large amounts of tokens:
  - If votable supply is low it can lead to a centralized process where a small number of holders influence governance.
  - Token unlocks create governance instability, potentially introducing price pressures and voting power shifts.
  - Incentivizing staking and SSCR usage in governance was discussed as ways to encourage more distributed participation.

Governance Structures & Decision-Making

Context

The discussion focused on existing governance models, decision-making frameworks, and alternative mechanisms such as Futarchy. Participants explored challenges with delegation, voting models, and different approaches to structuring governance decisions.

Key Discussion Points

> Delegation & Decision-Making Models

- Delegation models can introduce principal-agent problems and ensuring delegates act in the best interest of the DAO can be a challenge.
- Voting itself can present issues, and it may be better to pursue alternative high-trust, high-context decision-making models.
  - VC decision-making was used as an analogy, where consensus is often reached through negotiation rather than direct voting.
- Governance decisions may benefit from pre-mortem analysis, identifying potential failure points before implementation.

> Futarchy & Alternative Governance Models

- Futarchy may be vulnerable to manipulation if there are no clear evaluation criteria (e.g., KPIs) for funded proposals.
- There may be a limit to futarchy's effectiveness, as its success depends on the type of decision being made:
  - It works best for decisions with predefined options, such as "Should we use this logo?" rather than "What should the logo be?"
- Proposal iteration and fairness were discussed: how to balance credit for original proposals vs. minor modifications.
- Gaming risks exist in futarchy-based models, with examples like Trump Coin, where bad arguments were deliberately used to manipulate betting pools.

> Governance Structures & Multi-Stakeholder Models

- A separation of powers model was proposed, with distinctions between policy, execution, and arbitration/resolution layers.
- "Rage quit" mechanisms may be insufficient for governance exits.
- Metagovernance approaches could enable multi-stakeholder decision-making, balancing token holders, working groups, and external arbitrators.
- Sortition and citizens' assemblies could be used as methods to include diverse perspectives without shifting power to a small group of experts.
- Context-based weighting mechanisms could allow for different voting influences based on protocol usage, contributions, and alignment.

Programs, Funding, & Treasury Management

Context

The conversation shifted toward DAO ecosystem growth, funding strategies, and treasury management. Participants explored how grants, treasury allocation, and incentive structures impact governance and ecosystem participation.

Key Discussion Points

> Grants Program & Treasury Management

- The importance of good treasury management was discussed, along with the potential to use SSCR yields to support the ecosystem.
    - The legal implications of yield-based treasury strategies were flagged as an area requiring further exploration.
    - Grant recipients may face challenges if grants are distributed in SCR but need to pay contributors in stable assets.
    - Proposals for treasury management strategies are being discussed to ensure yield generation and sustainable utilization.
- Some participants referenced that there are other DAOs that encountered treasury mismanagement issues and wished they had addressed them earlier.
- Liquidity protocols (e.g., Steer) were mentioned as possible tools for regulating treasury liquidity.

> Proposals & Accountability

- There is interest in increasing direct collaboration between Labs, the DAO, and ecosystem stakeholders.
- First grant proposals are live, and measuring impact will be key.
    - A data metrics working group was proposed to define success indicators for governance decisions (TVL, active users, project adoption).
- AI-assisted governance evaluation was discussed, with an A/B test suggested for manual vs. AI-enhanced proposal review.
- An incentivized peer-review model (similar to Cardano's governance) was suggested to improve proposal quality before they reach voting stages.

> The Negation Game Demo

The Negotiation Game was showcased in a live demo, introducing a new way to make governance more transparent, engaging, and rewarding for those who contribute meaningfully. Instead of just voting, participants actively debate, refine ideas, and adjust their positions as new insights emerge. The goal is to shift governance away from passive participation and towards thoughtful, high-context decision-making. If community members can see each delegate's reasoning, they are more likely to delegate.

> How It Works

The tool functions like a structured discussion network, allowing governance participants to engage with proposals in a more transparent and reasoned way.

1. **Proposal Analysis**
   - Users have "cred" points and can endorse a proposal by upvoting, which can be amplified if they provide an example of what factors would cause them to change their mind (eg. "if we found an offer at the same standard for less money").
   - If someone disagrees with a proposal, they can negate it by providing a structured counter-argument, which (as above) can be amplified by providing under what circumstances they may change their mind.
   - People can also upvote specific arguments for or against proposals.
   - The system allows for iterative reasoning, meaning users can adjust their stance based on new input.
2. **Real-Time Pre-Mortem Analysis**
   - Before a proposal moved forward, users could see risks and potential failure points.
   - A graph displayed pro and con arguments, helping delegates anticipate unintended consequences.

Core Features:

- **Threaded Reasoning:** Participants can connect arguments to each other, similar to Twitter threads, but with governance logic built-in.
- **Betting on Arguments:** Instead of simply liking a statement, users stake credibility by betting on the validity of arguments.
- **Delegation Based on Quality Contributions:** The system tracks high-value inputs, ensuring governance weight is allocated to engaged, informed participants.
- **Rationale Visibility:** Users can see why someone voted a certain way, providing more context for decision-making.
- **Score-Based Favor System:** Each proposal has a favorability score that adjusts dynamically based on endorsed reasoning.

—-----------------

During the Demo, Connor invited Scroll delegates to test [The Negotiation Game] in two upcoming votes to evaluate its impact on governance quality.

The conversation is far from over! CCC2 is still being refined (it will run in June 2025), and we need your perspective. If something stood out, raised concerns, or needs deeper discussion, please share your take below!