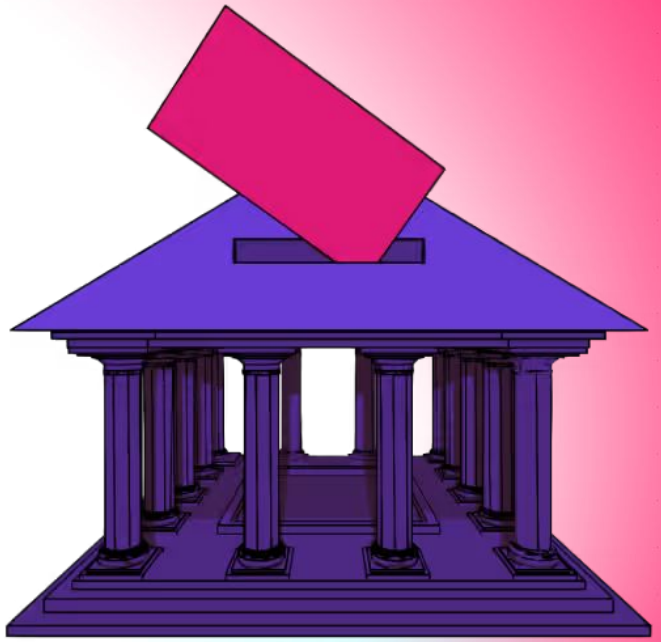
Polkadot Open Gov: Year In Review



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This report is brought to you by Parity's Data Team and covers the evolution of Polkadot's OpenGov system from its launch in mid-2023 to September 2024

Find the full report on our website

Treasury

Examining monthly spending trends and the multi-chain asset holdings

Governance Participation

Insights into how the community has engaged with governance through referenda

Fellowship

Monitoring the Fellowship's activities, membership growth, and budget

Decentralized Voices

Assessing the impact of the DV program and tracking participation across each cohort

Bounties

Analysing the allocation of treasury funds across parent and child bounties, highlighting key bounties and curator roles

L1 Comparison

Overview of governance mechanisms across several Layer 1 blockchains, highlighting key differences and similarities with Polkadot's governance model

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$121 M

USD value of assets currently controlled by the Polkadot treasury

$119 M

USD spent from the Polkadot treasury in 2024 YTD

1200 +

Referendums initiated on Polkadot since the launch of OpenGov

96

Members in the Polkadot Technical Fellowship

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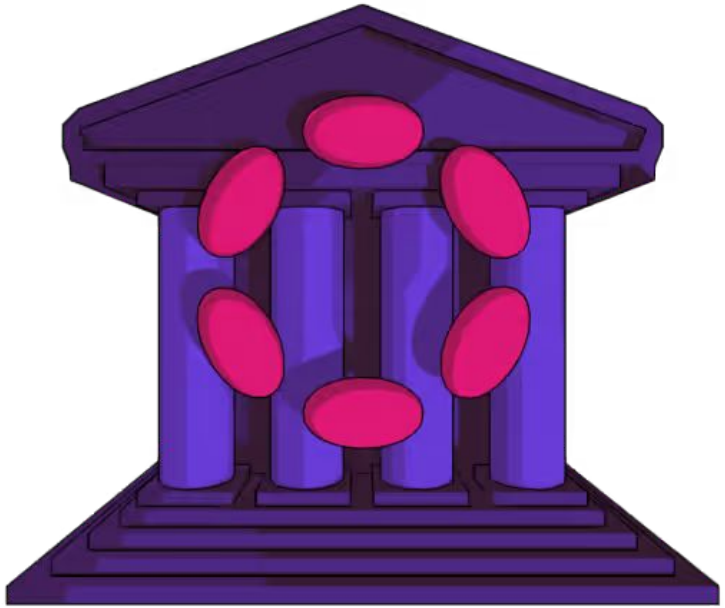
Treasury



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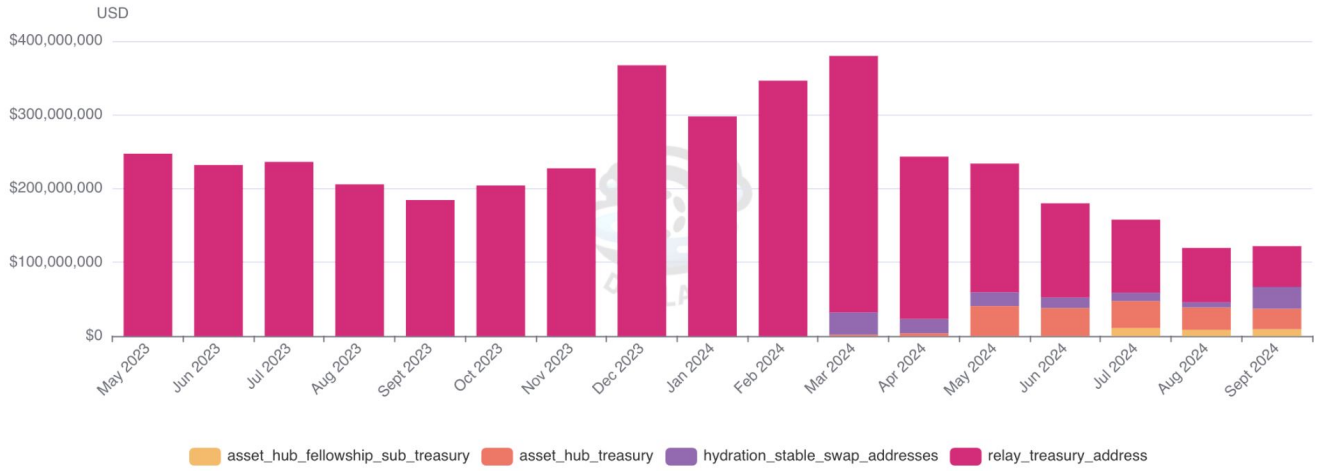
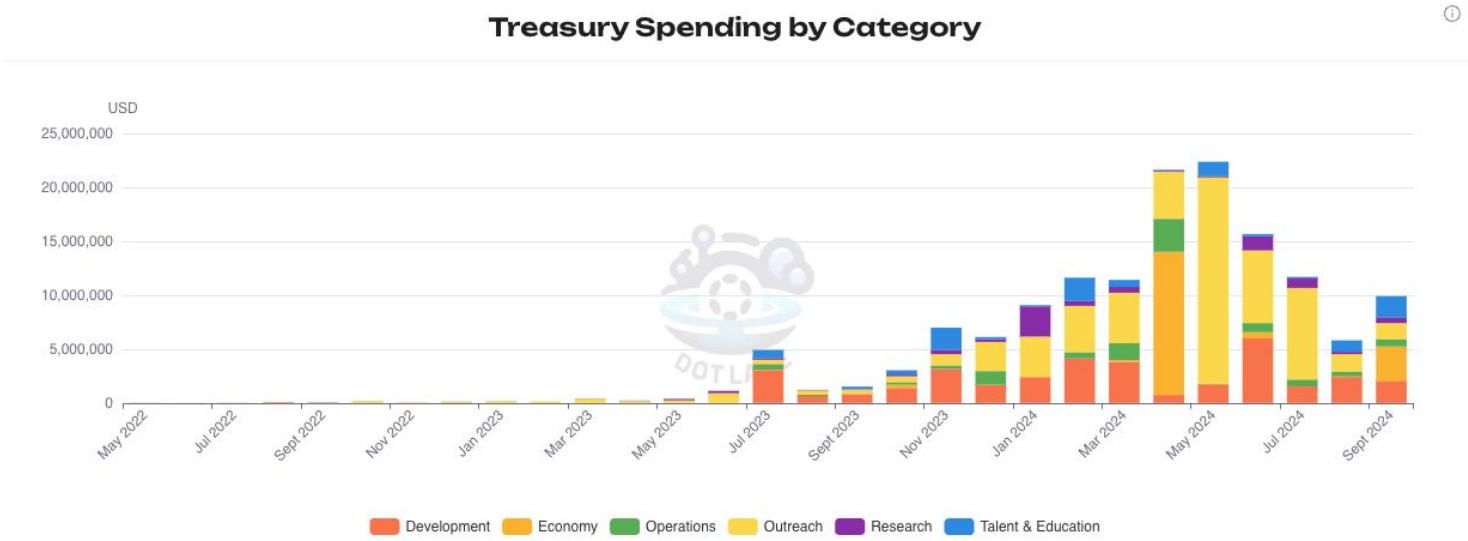
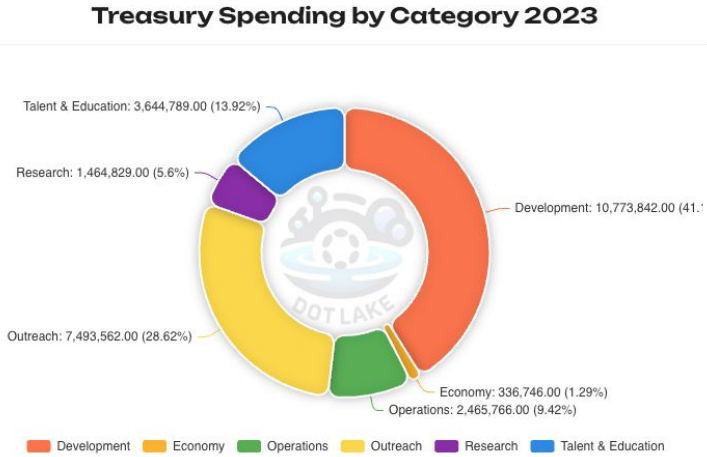
Treasury Balance

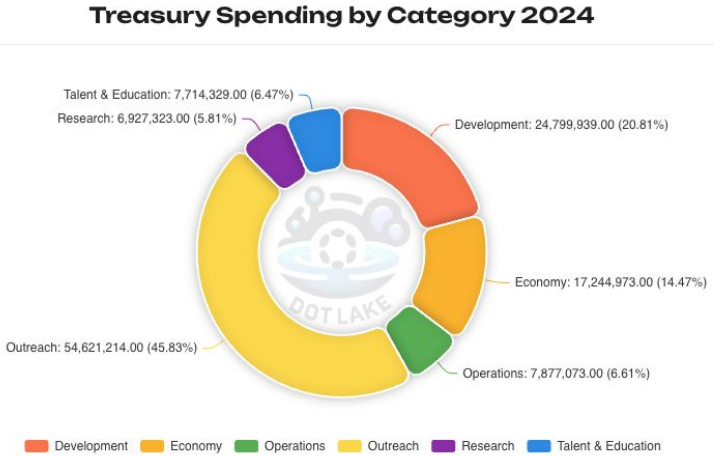


Treasury funds are now spread across the **Polkadot relay chain**, **Asset Hub**, and the **Hydration** chain, where a variety of assets (**DOT**, **USDT**, **USDC**) are managed. The transfer of assets from the relay chain treasury to other chains was enacted through referendums 457, 741, 832, and 1104. The treasury also holds memecoins such as **DED**, valued at around 2.8M USD, but these assets fall outside the scope of this report



Treasury spending has grown significantly, with a **4.5x increase** in **2024 YTD** compared to **2023**. This chart shows how funds have been allocated across various categories on a monthly basis, assisted by an AI classification algorithm to categorize each referendum.

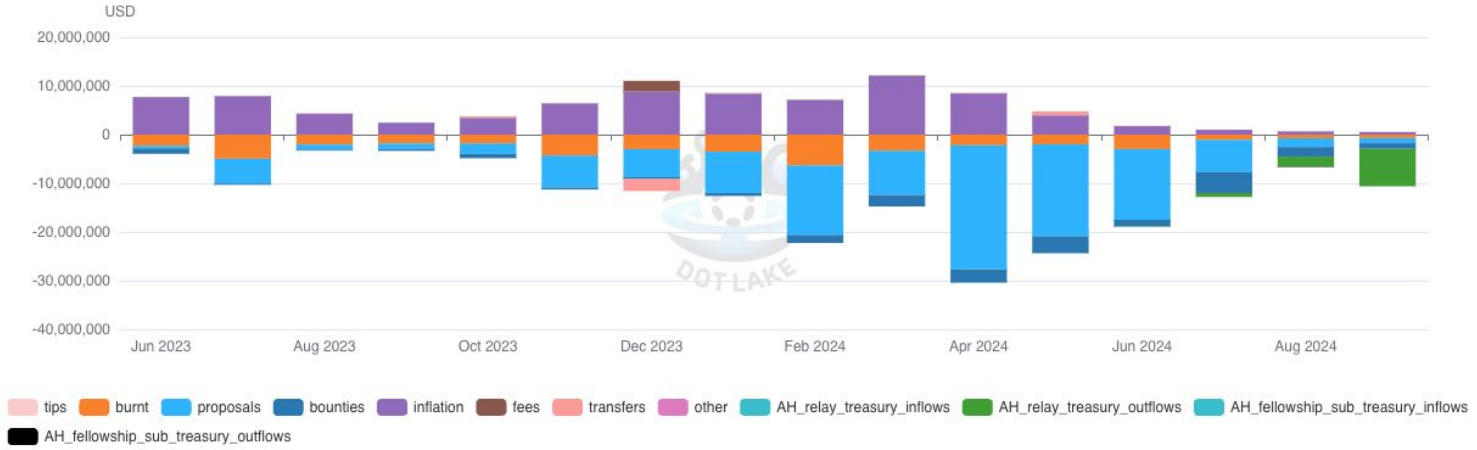




On a yearly view, comparing 2023 treasury spending to 2024 YTD:

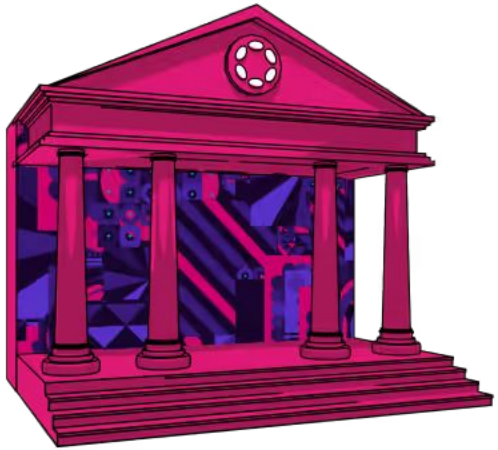
- **Outreach spending** rose from 7.49M USD in 2023 to 54.6M USD in 2024 YTD.
- **Development spending** increased from 10.77M USD to 24.79M USD, but its relative share dropped from 40% to 20%.
- **Operations spending** grew from 2.46M USD to 7.87M USD.
- **Talent & Education spending** doubled, going from 3.64M USD to 7.71M USD.
- **Economy** spending experienced the largest relative jump, rising from 336k USD to 17.24M USD.
- **Research spending** increased from 1.46M USD to 6.92M USD.

Treasury Flows



This chart provides a view of the **treasury's inflows** and **outflows** since the launch of OpenGov. Spending through proposals has increased, **peaking in April 2024** with **25.5 million USD** spent, though a **sharp decline** occurred after **June 2024**, coinciding with the release of Alice und Bob's OpenGov Treasury report. **Inflation** to the treasury has been **decreasing since March 2024**, as the network's staking rate gets closer to its target, reducing the treasury's share of inflation rewards. In December 2023, we see a spike in transaction fees, driven by the increased activity from the Ordinals event. This surge in network transactions resulted in significantly higher daily transaction fees, boosting transaction fee inflows for that period.

Governance



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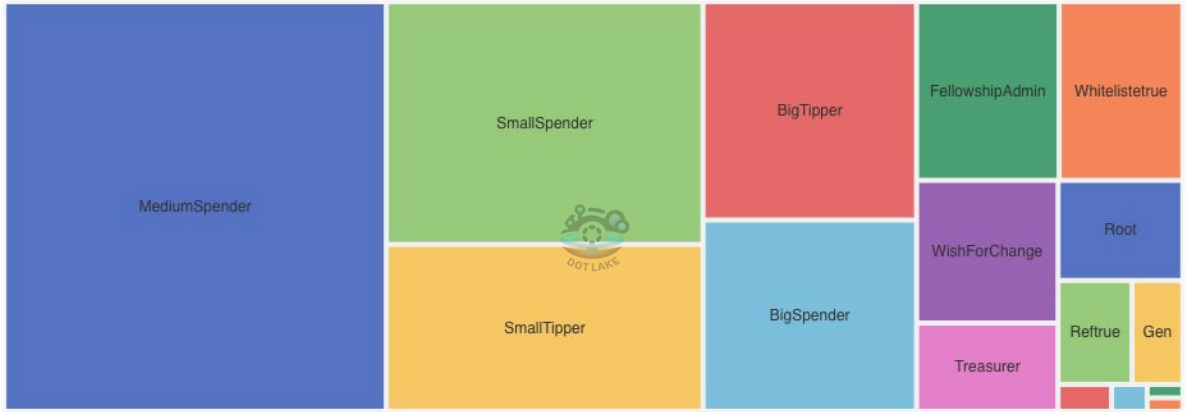
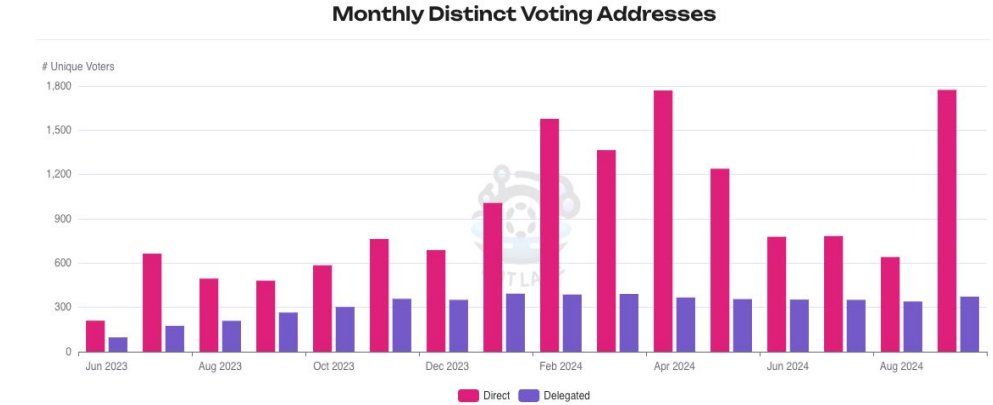
Referenda by Origin

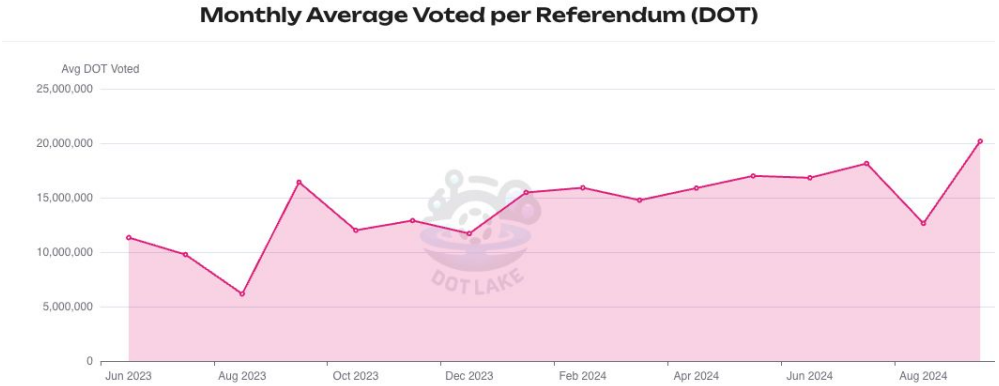


Over **1,200 referendums** have been initiated since OpenGov launched, averaging **2.5 referendums per day**. Treasury-related proposals make up the majority, accounting for about 81% of all referendums. The Meidum Spender and Small Spender tracks were the most used with 321 and 152 referenda respectively.



Direct Voting Participation peaks in April 2024, drops 64% by August

Direct voting saw significant growth, peaking in April 2024 with over 1,700 unique addresses participating. By the end of August 2024, this number dropped by 64% to 981, while delegated voting remained relatively stable. Even though this metric can give us a sense of how overall voting activity is progressing month to month, it's important to note that this metric can be easily manipulated, as shown by recent experiments from Oliver TY and Leemo.



Average DOT Voted per Referendum reveals voter commitment

A better way to measure participation is by looking at the average amount of DOT voted per referendum, without considering conviction. This metric shows how much capital, on average, is being used per referendum, providing a clearer sense of voter commitment across different periods.

Monthly Average Conviction

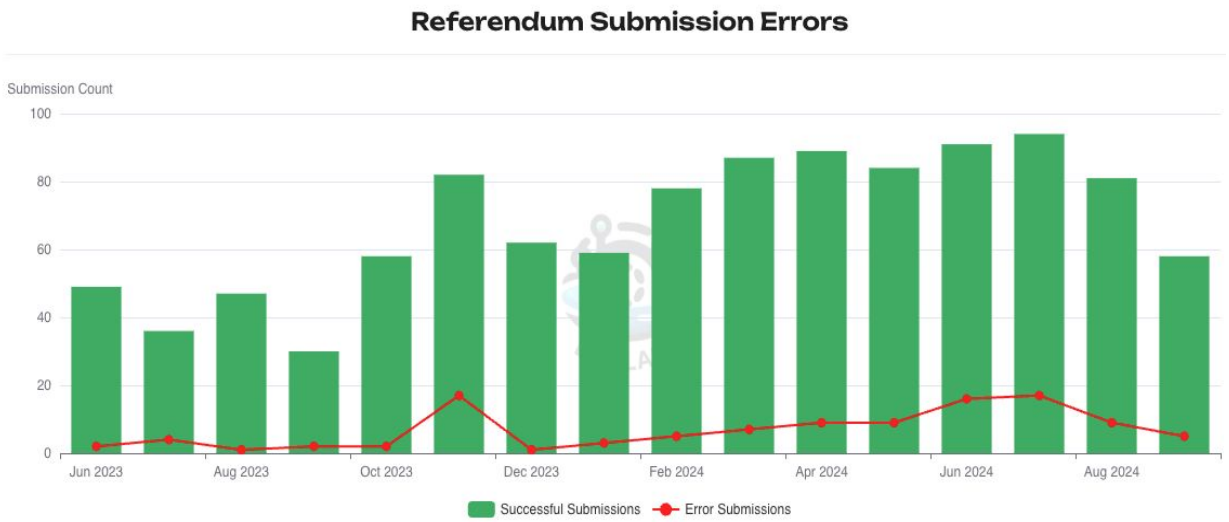
Conviction multiplier rises from 2x in June 2023 to 3.56x by August 2024

The average conviction multiplier was around 2x in June 2023 and has steadily increased since, peaking at 3.56x in August 2024. This suggests that voters are increasingly willing to lock their tokens for longer periods, amplifying their voting power and showing deeper commitment to governance decisions over time.t across different periods.

Top 30 Refs by Voting Power

Top 30 referendums show highest vote tallies with varying conviction levels

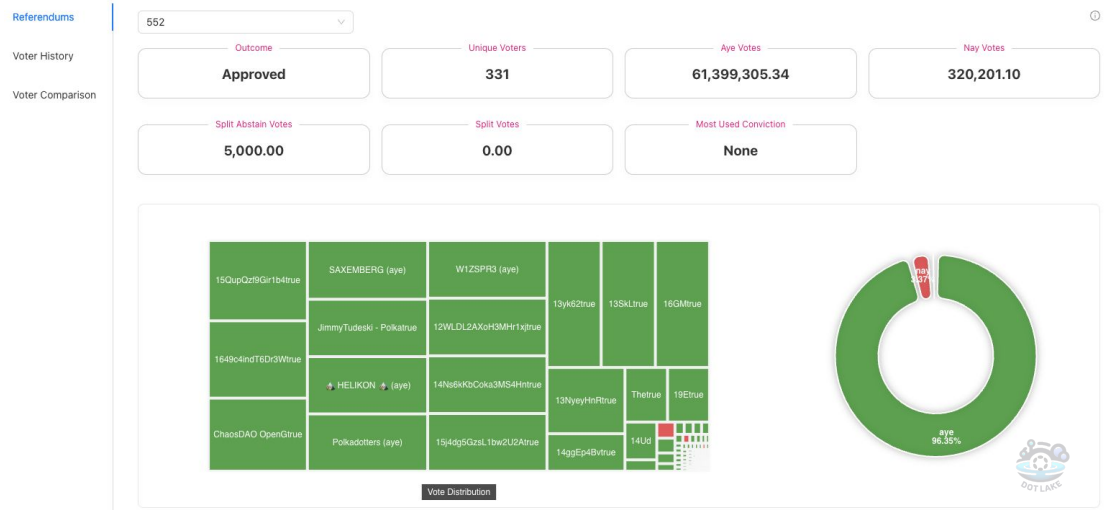
In the top 30 referendums by voting power, those with high aye tallies tend to have lower conviction, as voters likely perceive these proposals as uncontroversial and certain to pass, reducing the need for longer token locks. Development proposals for protocol upgrades receive overwhelming support with low conviction, while custom software Development proposals attract higher conviction votes with mixed outcomes.

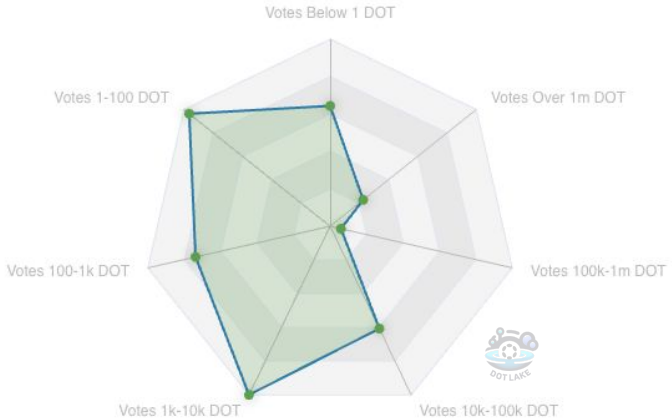


Submission errors have varied month to month, with the highest amount being **17 errors in July 2024**, suggesting potential UX challenges that lead to resubmissions and community time spent voting down flawed proposals.

Voters

The **Voters** section in our website is **interactive**, allowing users to explore **referendum stats**, view individual **voting histories,** and even **compare voting behavior** between different addresses. Below are screenshots of some of the functionalities available in this section.





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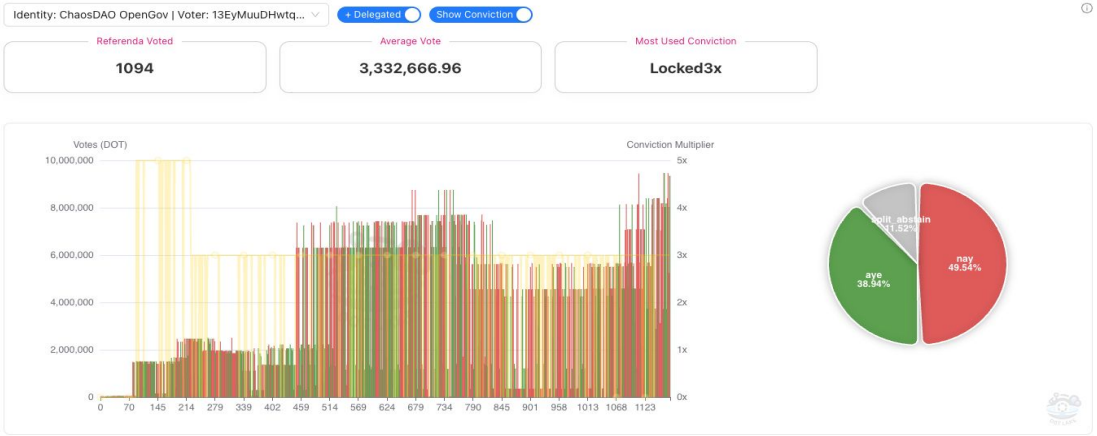
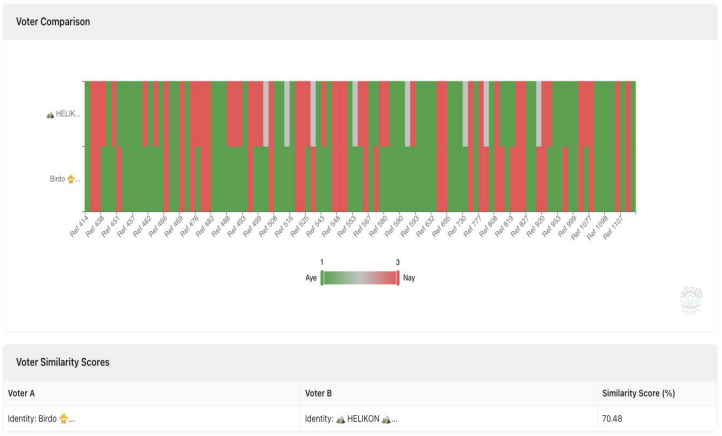
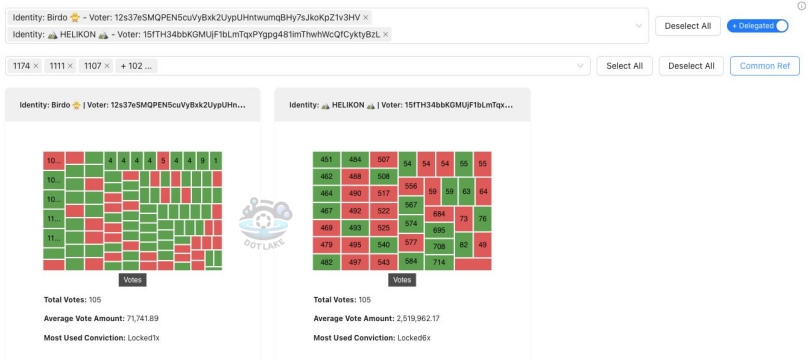
Voters







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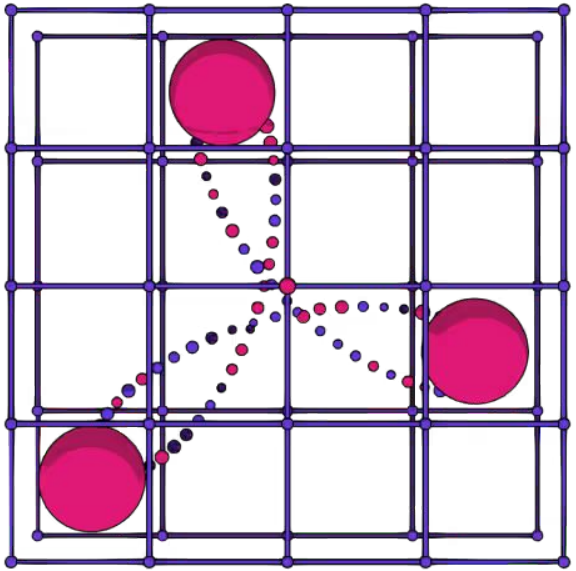
Fellowship



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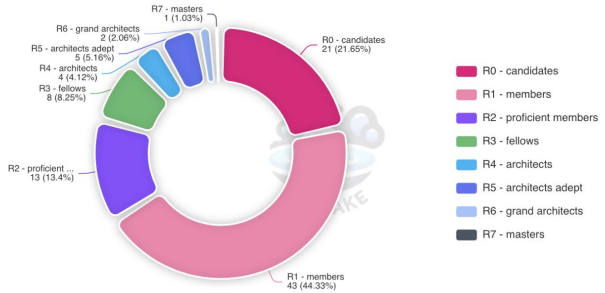
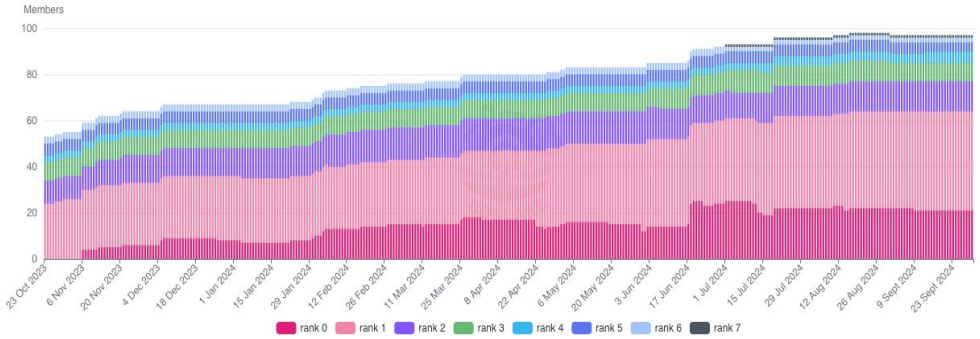
Fellowship Members

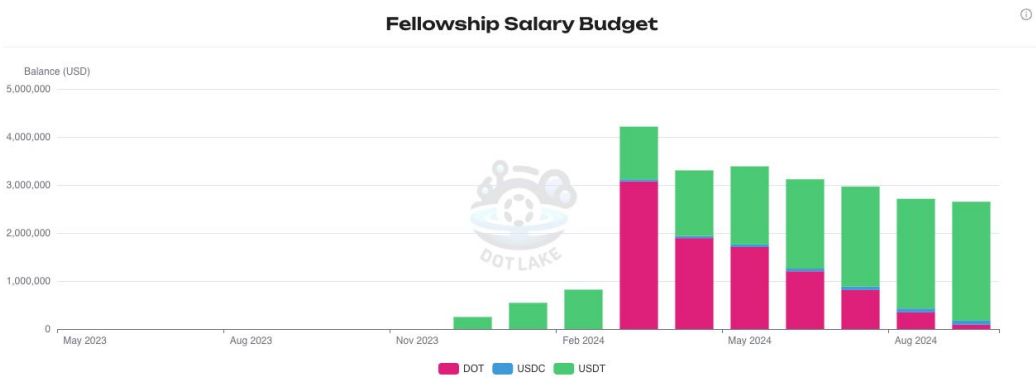


Fellowship Members All Time



Fellowship membership has doubled from 47 to 96 members since May 2023

The increase in members reflects the growing involvement of technical experts in Polkadot's governance. The Polkadot Technical Fellowship, which operates both on-chain via the Polkadot Collectives system chain and off-chain through the Polkadot Fellows repository, plays a key role in driving technical decisions. The Fellowship has the authority to whitelist referendums for faster governance cycles and also manages its own membership, contributing to the evolving technical direction of the Polkadot ecosystem.



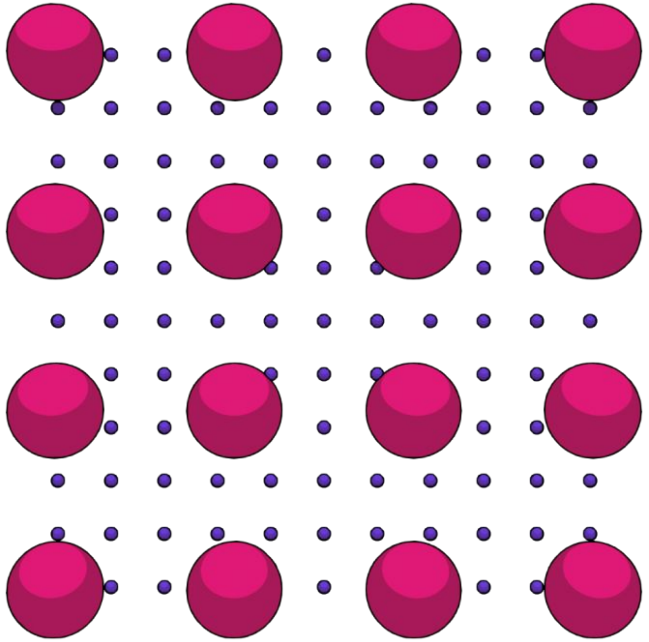
Fellowship members are now receiving salaries, advancing governance sustainability

With compensation for their contributions, Fellowship members are becoming even more integrated into Polkadot's decentralized governance model. An approved OpenGov proposal allocated 469,000 DOT to fund these salaries. This chart tracks the balance of the address that distributes these funds to Fellowship members.

Fellowship sub-treasury enables independent funding for technical proposals

This sub-treasury increases the Fellowship's autonomy, allowing it to fund and implement specialized governance initiatives. An approved OpenGov proposal allocated 2 million DOT to fund the sub-treasury.

Decentralized Voices



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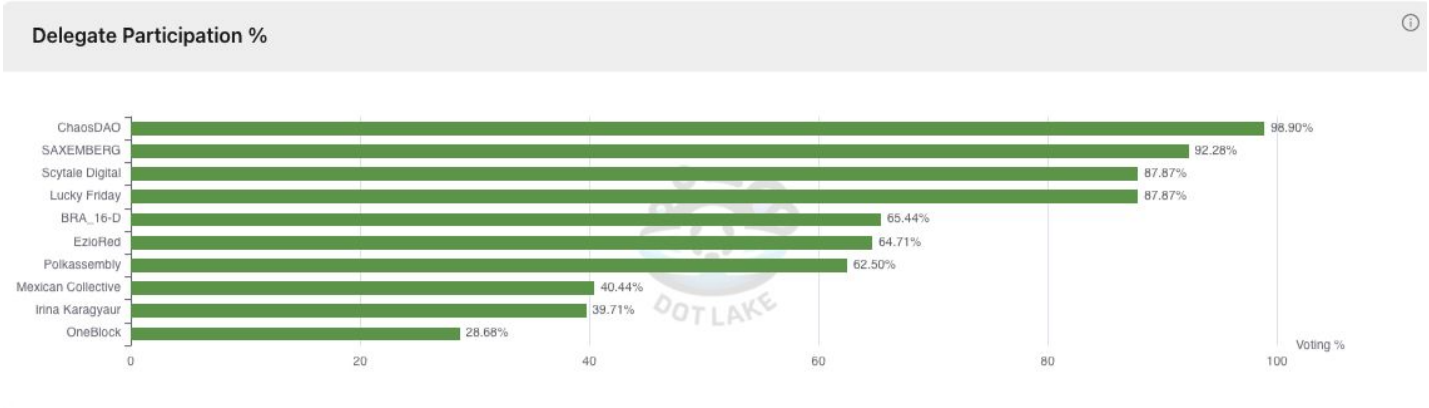
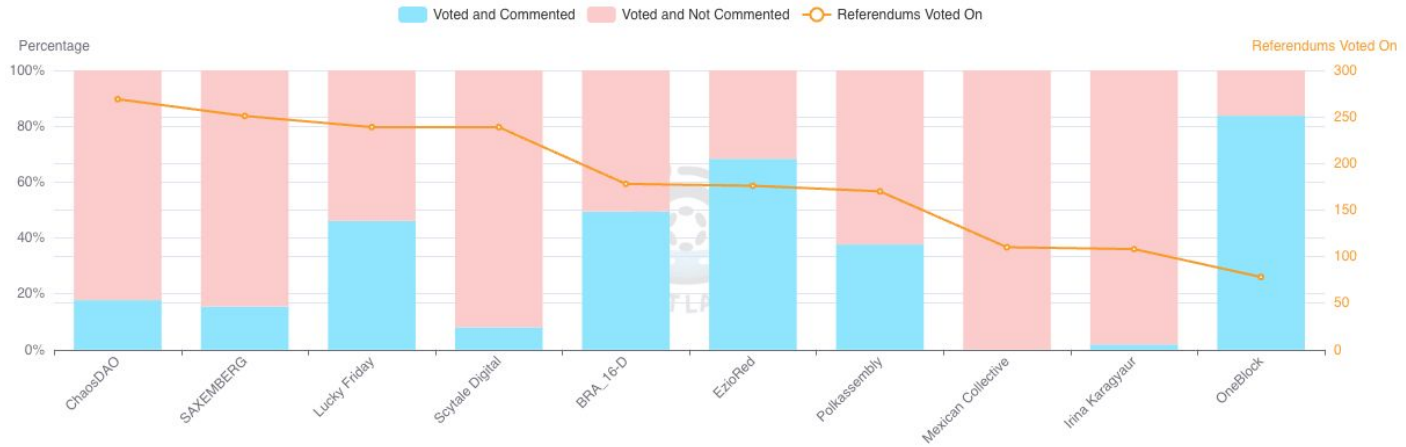
Cohort 2



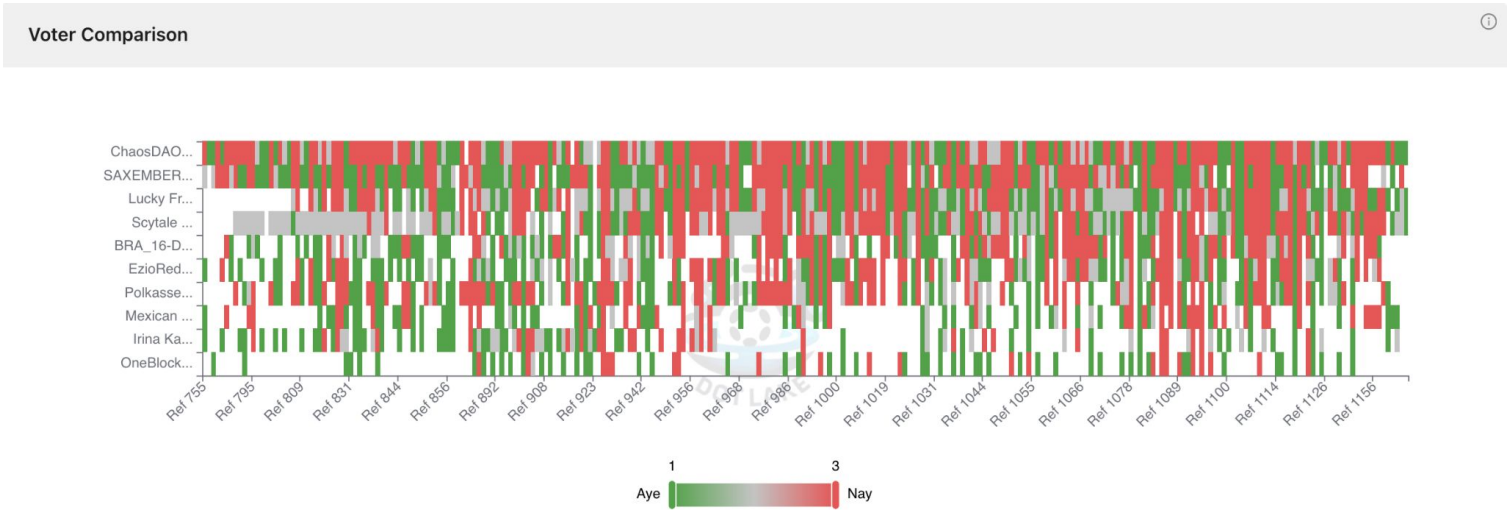
Delegate participation rates in Cohort 2 vary significantly. ChaosDAO and Saxemberg have the highest participation rates, at ca. **99%** and **92%** respectively, while others, such as Irina Karagyaur, Mexican Collective, and OneBlock, show much lower participation, with rates **below 50%**.

Cohort 2



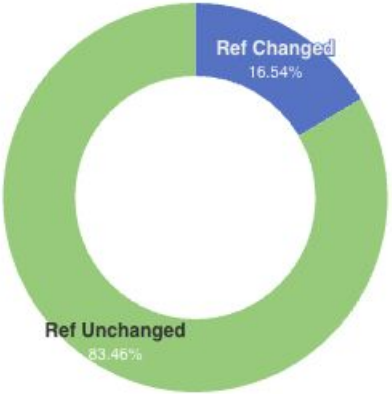
Cohort 2 delegates balance voting and transparency differently. OneBlock provides comments on **83%** of their votes but participates in fewer referendums. Others, such as ChaosDAO with a **99%** participation rate, focus more on participation but provide relatively fewer explanations, with comments on **18%** of their votes. This analysis focuses on comments made through Polkassembly and Subsquare. However, delegates like Saxemberg, Lucky Fridays, Mexican Collective, and OneBlock also share their reasoning via platforms like Twitter and Telegram groups.

Cohort 2

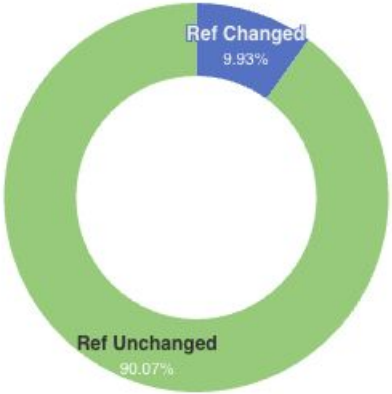


Cohort 2 delegate votes did not always line up across the board. As we can see from the heatmap, differing voting behaviour from delegates is common and there is no singularity in voting patterns. There are very few instances where all delegates voted in the same direction. It indicates that the resources were well divided to diversify opinions, however, consistency in voting differs greatly between Delegates..

Cohort 1



Cohort 2



DV delegates directly influenced the outcome of 16% of referendums in Cohort 1 and nearly 10% in Cohort 2. Even with the reduced individual delegation in Cohort 2, with each DV receiving 4.2 million DOT compared to 6 million in Cohort 1, the influence remains significant.

Bounties

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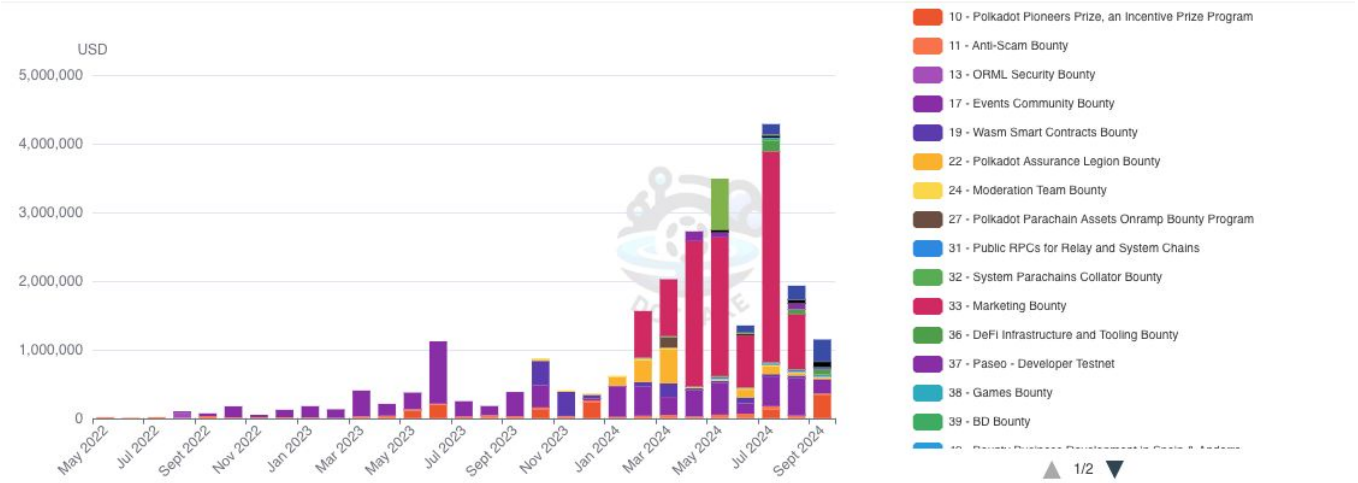
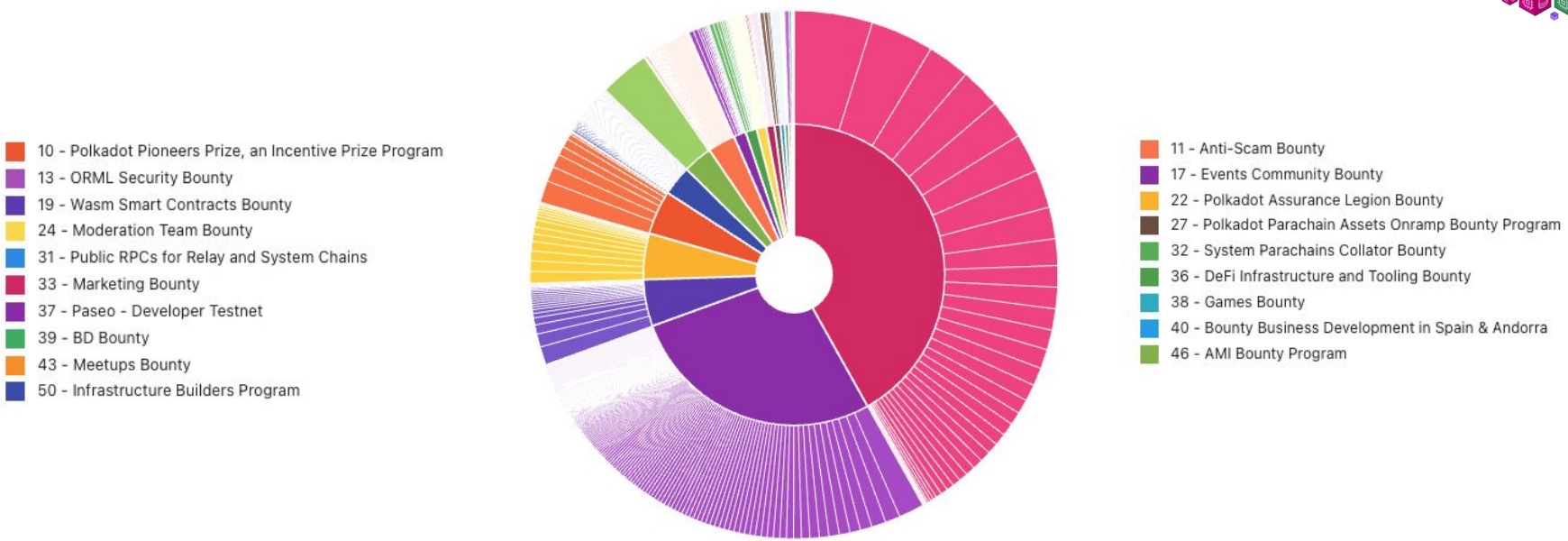
Monthly Claimed Amounts by Parent Bounty

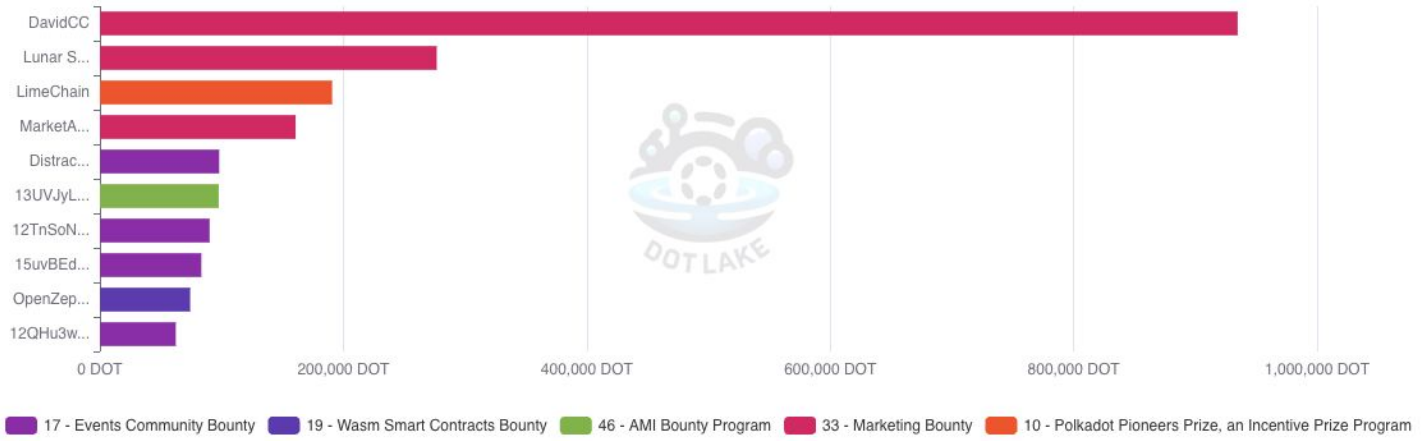


Marketing and Event bounties lead in monthly spending. The Marketing Bounty (ID 33) and Events Community Bounty (ID 17) stand out for their significant monthly spending. In **April** and **July 2024**, the Marketing Bounty claimed over **$2.11 million** and **$3.07 million**, respectively, while the Events Community Bounty saw payouts exceeding **$909k** in **June 2023** and **$546k** in **August 2024**. In contrast, smaller bounties like the System Parachains Collator Bounty (ID 32) and Anti-Scam Bounty (ID 11) maintain more modest monthly claims, generally under **$60k.**

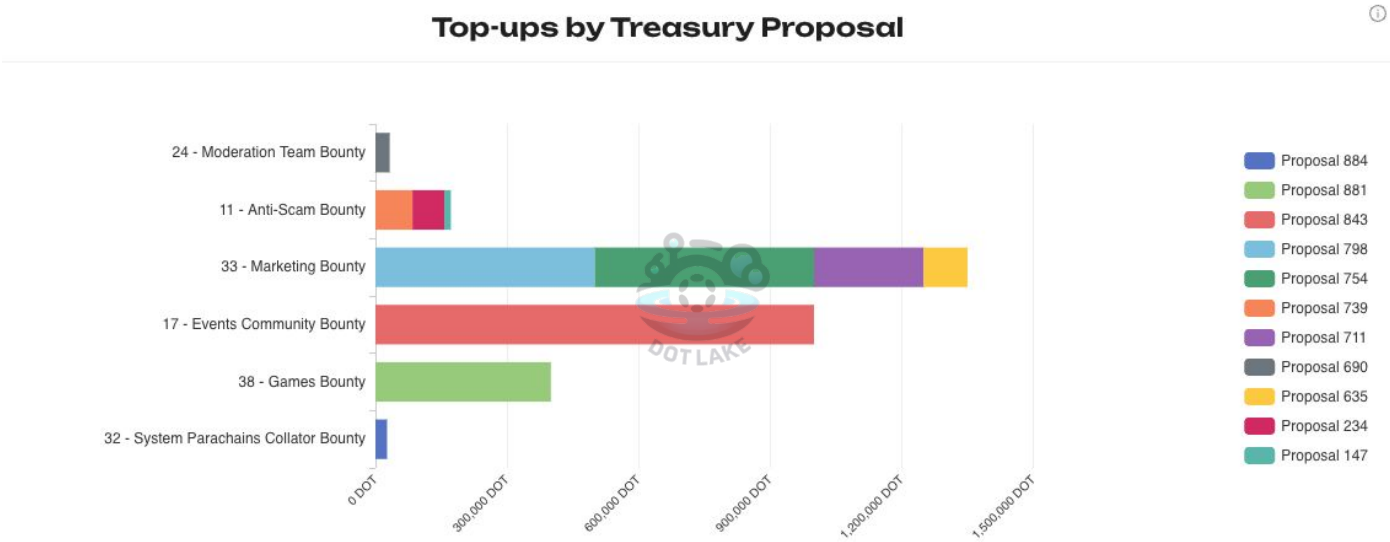


This chart visualizes the **distribution** of **parent bounties** (inner rings) and their **corresponding child bounties** (outer rings). While some parent bounties, like the Marketing Bounty (ID 33) in **red**, have claimed substantial funds, they feature relatively few child bounties. The large size of the outer red segments indicates that a small number of child bounties have received significant payouts. In contrast, the Events Community Bounty (ID 17) in **purple** shows a much larger number of child bounties, as indicated by the numerous outer segments, meaning it has distributed its funds across a wider range of smaller tasks and projects.

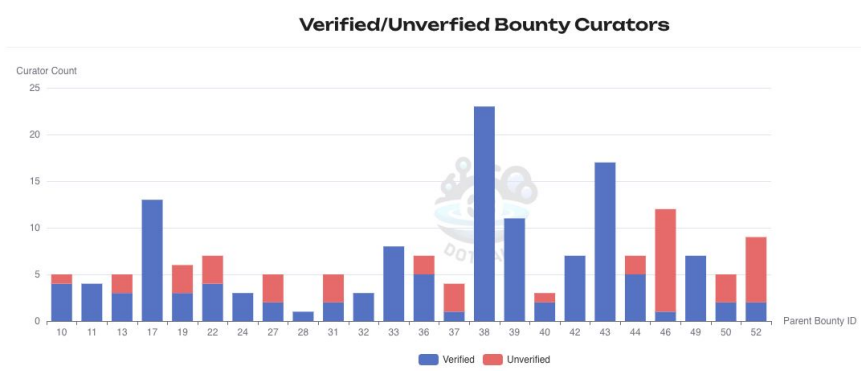
Beneficiary - Top 10 Claimed

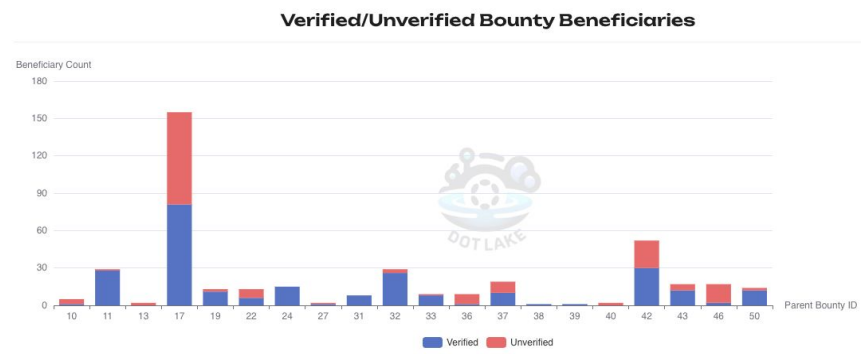


Marketing Bounty dominates top beneficiaries, with DavidCC alone claiming over **900k DOT**. While the Marketing Bounty dominates in total claims, there is a mix of beneficiaries from other bounties as well. For instance, LimeChain, from the Polkadot Pioneers Prize, ranks third with **190k DOT**, and several smaller claimants appear from the Events Community Bounty.



Several parent bounties have been **topped up** multiple times **through treasury proposals**. The Marketing Bounty stands out with five top-ups, receiving a total of **1.35 million DOT**, while the Events Community Bounty also received a substantial top-up of **1 million DOT**.





Curator and Beneficiary verification varies significantly across bounties

Several bounties display a significant number of unidentified curators and beneficiaries, raising potential concerns over transparency in governance. Bounty 46 stands out with 11 unverified curators, while Bounty 52 has 7. Additionally, among beneficiaries, Bounty 17 has 74 unverified beneficiaries, and Bounty 42 shows 22 unverified entries. On chain verification is a key aspect of ensuring accountability and transparency in the governance process.

Curator Claim % by Bounty

Bounty Name	Curator Claim Percentage (%)	Total Amount Allocated (DOT)	Curator Amount Claimed (DOT)	Bounty Amount Claimed (USD)	Curator Amount Claimed (USD)	Number of Child Bounties	Bounty ID
Marketing Bounty	0.063059%	1,440,000	886.89	$1,406,446.58	$6,038.09	45	33
Events Community Bounty	2.72%	2,000,000	31,510	$1,158,682.73	$219,780.74	322	17
Public RPCs for Relay and System Chains	3.89%	45,083.68	782.12	$20,122.7	$3,864.32	39	31
Anti-Scam Bounty	5.1%	179,462	6,159.86	$120,806.73	$38,682.77	569	11
System Parachains Collator Bounty	6.22%	42,386.29	994.47	$15,982.15	$6,160.33	404	32
Moderation Team Bounty	16.76%	57,532.69	7,523.43	$44,886.66	$43,186.93	152	24
Meetups Bounty	17.36%	5,000	413.16	$2,380.18	$2,562.04	15	43
SPANISH BOUNTY V2	26.59%	52,270	11,225.46	$42,221.46	$58,390.9	220	42
AMI Bounty Program	50.35%	231,000	2,434.5	$4,834.93	$16,061.7	17	46
Games Bounty	100%	500,000	1	$1	$7.57	1	38
BD Bounty	100%	100,000	5,000	$5,000	$32,551.26	1	39

The **curator claim percentage** shows the portion of a **bounty's total claimed funds** that have been **received by curators** of the same bounty. This metric helps assess how much curators are claiming in relation to the total amount distributed so far through child bounties. This percentage can be compared to the curator fees initially allocated in each proposal to ensure alignment with expectation. Check the website version of the report here for more charts and tables on bounties.

Find more charts, data points, and insights at

data.parity.io/opengov-report

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Special thanks to

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