

How to DAO it

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[HowtoDAO.it](#) Newsletter 7 – Decentralized Autonomous Organizations – New Year's edition – January 12th 2026

Welcome to the seventh DAO newsletter. If you have interesting insights that should be in our newsletter as well, please let us know via info@howtodaot.it. If you want to stay updated, you can [subscribe here](#) and [share it with others](#).

In this edition

Welcome in 2026. Also in this year we will bi-weekly update you on the most important DAO news! As always, we present a General Market and a Scientific update section. Enjoy!

General DAO Market Update

Although it was the holidays, there were quite some heated debates going on within various DAOs. Within AAVE the [fee discussion is still in full swing](#), dividing the participants of AAVE. The proposal [to transfer the brand ownership to the DAO of AAVE was rejected](#). In the heat of all these governance discussions, [the founder released a statement regarding the purchase \\$15M in governance tokens](#), leading to more centralization discussions. On the positive side, the [SEC stops multiyear investigation into AAVE without further action](#). Despite internal discussions, AAVE is now looking forward and [presents its 2026 roadmap](#).



Some other [Heated internal discussion in Aevo DAO](#) (not to be confused with AAVE) after an millions dollar exploit in December on the to follow recovery path. Sometimes, one does not need a heated discussion to reach an very impactful decision. [Lifinity DAO, a DEX on solana, decided to shutdown](#) after the community voted to do so. All funds will be distributed under their tokenholders. Finally Karate Combat, the first sports league structured as a decentralized autonomous organization, [faces financial difficulties](#). It is expected that 2026 will be a decisive year for them.

Some more positive insights come from some other DAOs. First [Kula](#), a decentralized investment firm, brought \$50 million in impact investing fully onchain. By using Regional Decentralized Autonomous Organizations (DAO) they invest in various RWA projects and each project is governed transparently onchain while remaining compliant across jurisdictions. [Kraken is supposedly going to list KULA](#). Another listing was announced as [Lido DAO is now listed on Robinhood](#) for spot trading. More Lido news. They have a plan to invest [\\$60M as 2026 "ecosystem grant request"](#), to grow beyond their staking activities. Furthermore, [BitMEX co-founder Arthur acquired 1.85 million LDO tokens](#) worth approximately \$1.03 million.



[Open Campus](#), a DAO building the blockchain-powered financial layer for education, partners with government of Madhya Pradesh and Geeks of Gurukul to digitize 50 million academic records over the next 18 months. Congratulations to [Apertum, a Layer 1 blockchain developed within the Avalanche ecosystem, won the Best Layer 1 Blockchain at crypto.news Awards 2025](#). They claim their success is due to being organized as a DAO.

Also in the past few weeks, there were several buybacks of governance tokens. [UXLINK performed another token buyback](#) action in December. Sky Protocol also did a [repurchase of 29.3M Sky tokens](#).

What could potentially be an Eth – Eth classic on a smaller scale! [Gnosis DAO voted for and executed a hard fork](#) for Gnosis Chain to recover lost funds from the Balancer Hack earlier. In the news of DAO hacks, [4 years after the Mango Markets DAO exploit](#), the prosecutor decided to charge Eisenberg for its action back in 2022. This could be a very interesting court case to follow as it could define a legal turning point in Web3 market manipulations.

As always there are some new DAO kid on the block(chain): [PermaWeb DAO](#), an AI-powered media network designed to preserve content permanently. Furthermore [AB DAO](#) arose. Although they mention a lot of things on community governance, it yet

remains somewhat unclear what their true purpose or goal is. We wish them all the luck and hope they will add value to their participants and other actors!

From the other news, some reflections and outlooks. An interesting somewhat more critical article on the promises of blockchain and what was achieved so far, including DAOs was published [here](#). The same goes for [this](#) article, that sketches a bit more elaborated historical overview, including some insights into new developments.

Finally also some [DAO development predictions for 2026](#) were published in this insightful article by Adeniyi Olowoporoku.

Although not DAO news per se, it is worth mentioning, Grace Rachmany, founder of DAO leadership, is the new executive director of the [Decentralized Identity Foundation](#).

Scientific Update

During the holidays, also a lot of interesting scientific articles were published in all different areas of expertise!

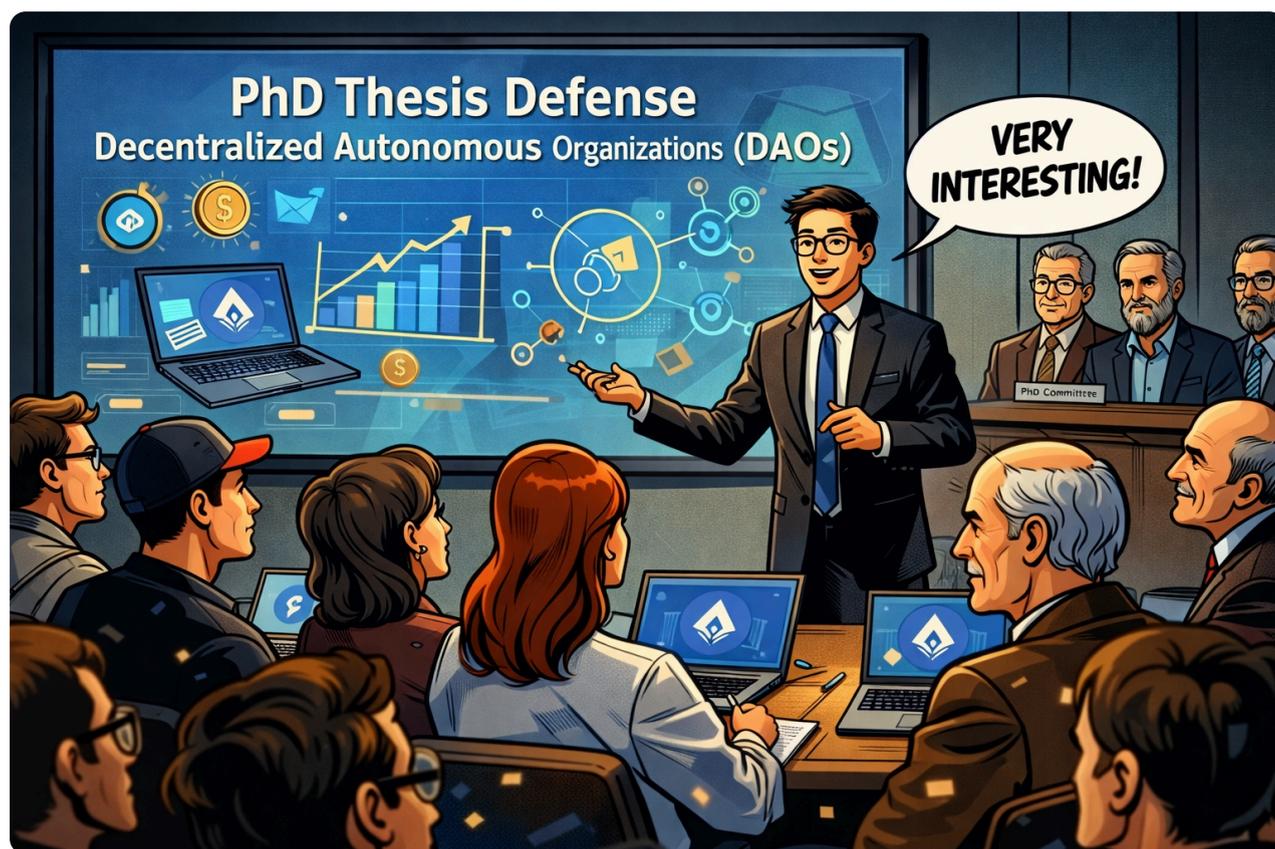
Some on governance. Starting with an interesting study by [Rong on CityDAO using Social Network Analysis](#). She finds that, despite the intention of being decentralized, due to various challenges like declining voter participation, one sees re-centralization forces within the DAO. Another interesting paper by Alexy et al on [exploring which consensus configurations lead to positive organizational outcomes](#) where they uncover 13 distinct configurations that characterize successful DAOs. Maybe their most interesting find is that successful DAOs optimize for broad participation in either the proposal (ideation) stage or the voting (legitimation) stage, but rarely both. More on the governance side, [Fan et al published a paper on Modeling and Analysis of Voting Decentralization Performance in DAOs](#). The findings highlight that decentralization is shaped by the interplay between voting power distribution, participation rate, and voting process.

Some papers were on functional DAO implementation possibilities. This paper by Imeri et al explores how [DAOs can play a crucial role as a decentralized governance and servicemanagement framework to ensure verifiable, tamper-resistant, and continuously accessible data exchange](#) among heterogeneous edge and cloud components. As published earlier in a paper by Rikken et al, [DAOs pose a great opportunity for citizen participation](#). A new research by Luscher and Serdult also [explores these possibilities, specifically under Swiss E-ID Law](#).

On the crossroad of AI and DAO, Xia et al published an interesting paper on how DAOs can contribute to answer to the challenge of [enabling auditable task execution and fair incentive distribution for autonomous LLM agents](#) in trustless environments. Another AI and DAO paper by Ahmed et al even proposes to [fully automate the decision chain](#) in DAOs by the use of LLMs.

More financial and economic related, [Zhu explores the value of decentralized governance](#) and presents the DAO Index to quantify the degree of decentralization within a DAO and investigates whether greater decentralization enhances value creation. Another highly interesting financial related paper was presented by Tu et al. In this paper they examine how the composition of governance participants shapes financing outcomes in DAOs, finding that proposals supported by [higher-reputation and more diverse governance groups experience significantly stronger post-proposal financing responses and concentrated voting power predicts weaker outcomes](#).

From the legal corner, here is an interesting paper on how the [Nigerian CAMA corporate structure in time could facilitate DAOs](#) by Ademola Soile-Balogun.



And last but not least, a very interesting dissertation on [Debating Digital Dominance: Decentralized Technology Governance For Strategic Autonomy](#) by Paul van Vulpen was released and will be defended end of January. In his dissertation he also

elaborates on the possibility to radically rethink IT governance with DAOs. We wish him all the luck with his defense!

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