Project name

: Elk Finance

Author name and contact info

(please provide a reliable point of contact for the project):

Shylo Cliffe ([Telegram: Contact @LtSnakePlissken](#))

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant

: Yes

I understand that I will be expected to following the public grant reporting requirements outlined [here](#)

: Yes

L2 recipient address

: 0x997eBEeE6E89dE030880Cad6d604465549277CC9

Which Voting Cycle are you applying for?

: 10

Which sub-committee should review your proposal? (Builders Grants, Growth Experiment Grants)

: Growth Experiment Grant

Project description

: Elk Finance is a cross-chain infrastructure project. ElkNet, the heart of the protocol, is responsible for enabling cross-chain communication, value transfer between blockchains, as well as custom secure bridging solutions to and from multiple chains. $ELK, our utility token on which the ecosystem relies, is used for transfers, fee collection, and a route for cross-chain swaps. Elk is a fully composable blockchain interoperability protocol.

The ElkNet is currently on 21 chains. On each chain is the ElkDex, which includes an exchange, farms, and staking. Currently running on Uniswap v2 logic, our future plans include concentrated solutions and also adjusted token economics.

In the simplest terms, Elk is building infrastructure that enables chain agnostic communication, interoperability, and value transfer for end users - permissionless cross-chain bridging that is easy and accessible to developers and Web3 natives.

While not a blockchain, ElkNet validators will be required to stake ELK in order to operate nodes, allowing trustless and decentralized cross-chain solutions managed by unlimited numbers of projects built on top of ElkNet. $ELK is needed to secure and maintain custom bridging solutions created with our ElkNet SDK, what we are calling Bridging-as-a-Service (BaaS).

As a major Ethereum Layer 2, Optimism is an important blockchain for the ElkNet to include. In order to sustain the level of interoperability between Optimism and the other chains we are currently deployed on, it is imperative to grow deep liquidity for the ELK/OP pair. This reduces the friction for users moving to Optimism and swapping for the OP token.

Farming-as-a-Service (FaaS) will provide projects and protocols the opportunity to build a fully customizable farming solution with no smart-contract knowledge. Our FaaS contracts will be audited and tested thoroughly to ensure safety, security, and reliability. We aim to have a release date for this permissionless liquidity provision in the near future.

Cross-chain swaps (CCS) enable real time trustless bridging transactions between all supported blockchains; it's enabled by an oracle built by Elk Finance for this particular purpose, utilizing the unlimited potential of the ElkNet. Obstacles to the development of a safe CCS system through the ElkNet are being surmounted by our engineering team.

With BaaS, FaaS, CCS, and Elk Finance's other upcoming products, we aim to connect all of DeFi. These products can attract more users to Optimism and expand on-chain use cases, ensuring that Optimism continues to be a central player in the Elk Ecosystem. It won't be a case of building using ElkNet, but building on ElkNet; the blockchains welcoming Elk's fragmentation-free cross-chain tech will find themselves on the radar of the next wave of blockchain activity with no borders.

Website

: https://elk.finance

Twitter

: @elk_finance

Discord/Discourse/Community:

http://discord.link/elk_finance

Other relevant links

(including any demos): dApp: https://app.elk.finance

Docs: https://docs.elk.finance

Additional team member info

(please link): [

Team - Elk.Finance Docs](https://docs.elk.finance/team)

Please link to any previous projects the team has meaningfully contributed to

: Elk has launched on many chains, but this is the teams only project.

Relevant usage metrics

(TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.): Elk Finance | Cross-chain DEX Analytics

Elk: TVL and Stats - DefiLlama

Competitors, peers, or similar projects

(please link): https://www.Multichain.org

routerprotocol.com

Router Protocol | Communicate between blockchain networks

Router Protocol is a Cross Chain Bridge. Currently live on Ethereum, Polygon, and more. Building an interoperable cross chain future of the blockchain ecosystem.

Is/will this project be open sourced?:

Yes

Optimism native?

: No

Date of deployment/expected deployment on Optimism

: 4/30/2022

What is the problem statement this proposal hopes to solve for the Optimism ecosystem?:

Optimism is already a blockchain connected to Elk Finance's Elknet, but with BaaS, FaaS, cross chain swaps, and Elk Finance's other upcoming products on the horizon, there is a need to direct efforts to deepen liquidity on Elk and improve the experience for OP users. More options for bridging are laudable, but more opportunities for Optimism ecosystem developers to benefit from exciting new technologies from Elk is just good manners. Builders and existing protocols alike will be able to gain cross chain market exposure, drawing engagement with their products without fragmenting their liquidity and keeping transactions on Optimism.

How does your proposal offer a value proposition solving the above problem?

: The incoming products, SDKs and development incentives will attract more builders, and in-turn, users, to Optimism and expand on-chain usage, ensuring that Optimism continues to be a central player in the Elk Ecosystem and the Ethereum ecosystem at large

Why will this solution be a source of growth for the Optimism ecosystem?

: We expect this proposal to encourage new builders, as well as those building on other blockchains, to build using our infrastructure on Optimism. This should user interactions for the $ELK, $OP, and BaaS bridged tokens on the Optimistic Ethereum L2. This will, in turn help both Elk and builders deepen liquidity in important LP pools.

Has your project previously applied for an OP grant?

A majority of the feedback pointed out that the original incentive was not designed to cater for development costs, therefore we have redesigned the entire proposal to be more focused on Optimism builders, and prospective OP users channeled into your ecosystem through our end-user bridge. Those using our Farming-as-a-Service and Bridging-as-a-Service infrastructure will be able to incentivize their users by offering incentives, making Optimism the obvious choice to try these products. The developer opportunities in the future, although indistinct now, should be a major reason to support Elk early in our journey.

Number of OP tokens requested

: 50000 OP

Did the project apply for or receive OP tokens through the Foundation Partner Fund?

: No

If OP tokens were requested from the Foundation Partner Fund, what was the amount?

: N/A

How much will your project match in co-incentives?

(not required but recommended, when applicable): Elk will increase liquidity mining incentives by 50-100% on applicable farms or distribution channels, as well as allocate extra marketing efforts to Optimism.

How will the OP tokens be distributed?

(please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving.): The tokens will be distributed in the ELK-OP, ELK-ETH, and ELK-VELO farms, or any other farm created by FaaS builders that best serves the interest of Optimism Ecosystem and Elk Finance. The ELK-OP farm will get a larger percentage of the rewards. BaaS builders building a bridge to

Optimism for their own tokens will be eligible to reward some OP to their users, depending on eligibility.

The liquidity incentive distribution will last for 5 weeks: Elk will increase mining incentives on eligble farms built using FaaS by 50-100%. Elk will also incentivise builders who build an eligible custom bridging solution using ElkNet to

Optimism by rewarding their users.

A great deal of incentivized liquidity and volume on Optimism will trigger our internal mechanisms designed to result in an increase in ELK distribution to Optimism compared to our other blockchains. Sustaining activity and volume on-chain is the goal here.

To attract new builders from other chains/ecosystems and showcase Optimisim projects, a portion of the the OP incentives will incentivize the farms created by new and innovative projects using our FaaS, as well as those who deploy a custom bridge to

the Optimism chain. We will also showcase up to 14 Optimisim Native partner projects with our new FaaS Farms. The showcased projects will encourage more projects to build, lead to more AMA's and co-marketing, as well as drawing in both Elk users and 3rd party users of projects utilizing our infrastructure that may have not visited the Optimisim ecosystem yet. This will draw increased volume, encourage interest in Optimism projects, and motivate users to purchase the OP token for farming and other functions.

Finally, it should be noted that Elk provides Impermanent Loss Protection to Elk farms, thus OP and other Elk farms will be protected against market fluctuation if the builders so choose to implement this feature.

During the distribution of the incentives and beyond;

100% increase in TVL on ElkDex

100% increase in volume on ElkDex

Targeted marketing efforts for Optimism across all our social media and community channels, as well as additional marketing from builders using our infrastructure and the OP incentives we will be able to reward.

Over what period of time will the tokens be distributed for each initiative? Shorter timelines are preferable to longer timelines. Shorter timelines (on the order of weeks) allow teams to quickly demonstrate achievement of milestones, better facilitating additional grants via subsequent proposals:

The liquidity incentive distribution will last for 5 weeks: Elk will increase mining incentives on applicable builder created

farms by 50-100% and incentivize the building of bridges into

the Optimism Ecosystem.

Please clearly define the milestones you expect to achieve in order to receive milestone based installments. Please consider how each milestone relates to incentivizing sustainable usage and liquidity on Optimism. Progress towards each milestone must be trackable:

We hope to receive the reward to immediately incentivise liquidity on Optimism farms once FaaS is available, but are willing to take/reward them in small milestones and boost FaaS and non-FaaS farms based on their TVL/emissions.

Why will incentivized users and liquidity on Optimism remain after incentives dry up?

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Once builders are able to build bridges into the Optimism Ecosystem, most will remain, as it is affordable and easy to maintain. Users and liquidity providers will be sufficiently incentivized to keep their LP on Optimism following the continued product development by our engineers, as well as other builders. Products such as Farming-as-a-Service and Bridging-as-a-Service will provide more utility to Optimism, helping incentivize users to keep their liquidity with Elk's LP pairs on the Optimism chain.

Please provide any additional information that will facilitate accountability (smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.):

Deployed Optimism Contract Addresses: Optimism - Elk.Finance Docs

Organizational Wallet Addresses:

Community Wallet: 0xE1c0e5AC8aB0Dab88E682B9a8653Bc7a943fB80F

Expenses Wallet: 0x997eBEeE6E89dE030880Cad6d604465549277CC9

Confirm you have read and agree to the Eligibility Restrictions

(here): I have read the Eligibility Restrictions and agree to abide by their conditions.

Elk Finance will comply with the 1 year lockup rule for Builder's Grants, as the OP will only be distributed to builders for their LP farmers and custom bridge users in the Optimism Ecosystem to facilitate growth of volume and total value.