

Project name

: Liquity

Author name and contact info

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

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

: 0x2f593f151aF4bb9A71bcA6cAce1d3c56C2844117

Which Voting Cycle are you applying for?

: 10

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

: Growth Experiment Grants

Project description

(please explain how your project works): Liquity is the only unstoppable lending protocol, outputting the most resilient stablecoin that exists on the Ethereum mainnet: LUSD

Website

: <https://www.liquity.org/>

Twitter

: <https://twitter.com/LiquityProtocol>

Discord/Discourse/Community:

[Liquity](#)

Other relevant links

(including any demos):

Additional team member info

(please link): [Liquity | About us](#)

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

: <https://chickenbonds.org/>

Relevant usage metrics

(TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.): >1K holders of LUSD on Optimism, >180K total transactions, 5.4M LUSD on Optimism

Competitors, peers, or similar projects

(please link): None provide an equivalent service

Is/will this project be open sourced?:

Yes

Optimism native?

: No

Date of deployment/expected deployment on Optimism

: 6/1/2022

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

Providing Optimism users with a resilient Ethereum-native stablecoin

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

: Excluding LUSD, there are exactly 0 resilient stablecoin on Optimism right now. Just like most of DeFi, Optimism exist because Circle and Tether allow it to. What if that's no longer the case? Aren't we doing DeFi in the first place because we want to build a resilient, sovereign and independent alternative financial system?

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

: Optimism is currently the only L2 where LUSD is available: let's scale it up

Has your project previously applied for an OP grant?

: Yes but we our proposal fell into the governance hell despite being updated many times to address the feedback provided by the community - [\[DRAFT\] \[GF: Phase 1\] Liquidity](#)

Number of OP tokens requested

: 500000

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?

: 0

How much will your project match in co-incentives?

(not required but recommended, when applicable): 0

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.): 70% liquidity bribes, 20% borrow incentives, 10% ecosystem grants, details in the gov forum post

This structure will help further densify the liquidity for LUSD on Optimism, enabling it to tackle more use cases

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: Over the course of a year - the goal is to not do a pump and dump of liquidity here but step up the sustainable liquidity of LUSD on OP

There is already \$~10M worth of liquidity in LUSD-related pools on Optimism

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:

The north star metric here is to roughly double the amount of liquidity that can be sustained over the long term for LUSD on Optimism, from a current of ~\$10M to \$20M.

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

: We already have >5M LUSD on Optimism with 0 support from the Optimism team

Please provide any additional information that will facilitate accountability

(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.):  
0x2f593f151aF4bb9A71bcA6cAce1d3c56C2844117

Confirm you have read and agree to the Eligibility Restrictions

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