

Proposed by:

Lido DAO Operation Workstream:

[@Jenya_K](#), [@kadmil](#)

[Agora Team](#): Charlie Feng ([Twitter](#)), Marcela Ochoa ([Marcela Ochoa - Agora | LinkedIn](#))

Motivation:

The goal of creating a public delegate platform and a framework to incentivize delegates' work is

- increase active voting participation,
- improve the quality of discussions and feedback,
- allow the community to unite and increase protocol safety by activating new tokenholders in governance via Delegation.

TL;DR

Proposal is:

- Establish an official public delegates platform on the Research Forum
- Establish a Pilot six-month Delegate Incentivization Program to the DAO, with the Delegate Oversight Committee evaluating the fulfillment of Key Responsibilities and facilitating the program.
- Organize delegate rallies as the initial phase of the program.

Specification:

Stage 1: Establishing a Public Delegate Platform

The Public Delegate Platform

enables delegates to articulate their principles and aspirations, serving as the main channel for LDO holders to understand Public Delegates and their actions.

Requirements to become a Public Delegate:

1. Inform the community about your intention to become a public delegate in this thread.
2. Create a Delegate Thread on the Lido DAO Research Forum ([Tane Delegate Thread Example](#)) under the "Delegate Platform" category.

The delegate thread may include:

- Address

(Your Ethereum address or ENS name)

- Introduction

(Name, Background, Expertise)

- Contact Information

(Twitter, Discord)

- Motivation

(Reason for wanting to be a delegate, Objectives, and aspirations within the DAO)

- Values and Decision-Making Approach

(Core Values, Decision-Making Process)

- Public Acceptance

(Commitment to the delegate Code of Conduct, Alignment with the mission, vision, and purpose of Lido DAO)

- Disclosures

(Potential conflicts of interest, Positions in relevant assets or competing organizations, Examples or references of past governance activity if applicable)

Expectations of a Public Delegate:

1. Maintain a voting participation rate above 70% to keep your listing.
2. Inform the community on decisions and rationalizes in the Delegate Thread

Benefits of being a Public Delegate:

1. Attract token holders and gain recognition as a public delegate of Lido DAO
2. Reimbursement of gas expenses incurred during on-chain voting for all delegates with VP greater than 0.1% of the total token supply
3. Potential to participate in the Delegate Incentivization Program (DIP)

if approved by the DAO

Public Delegate Code of Conduct:

- Act honestly, transparently, and with integrity.
- Vote in the Lido DAO's best interest.
- Review each proposal professionally and unbiasedly before voting.
- Draw the community's attention if a proposal is unclear, requires additional research, or is not ready to proceed to vote.
- Provide constructive, well-researched feedback without personal attacks.
- Respect differing opinions.
- Clearly explain vote rationales to the community.
- Be available to discuss proposals and respond to inquiries.
- Inform the community when ceasing active delegation.
- Avoid and disclose any conflicts of interest.
- Disclose potential conflicts related to delegate activities.

Quitting from the Public Delegate List

If a Public Delegate wishes to quit, they must inform their delegators and the Lido DAO community. This includes posting in their Delegate Thread and sending personal messages to tokenholders who they know. We recommend notifying the DAO Operations Workstream as early as possible so that the resignation is timely communicated to voters so they can proceed to re-delegate their voting power.

Maintaining Reliability of the Platform:

The Delegate Oversight Committee oversees the list of public delegates and will take action in cases where a delegate:

Case

Action

Does not maintain a voting participation rate above 70% over three months

1st time: warning, 2nd time: removal

Does not adhere to the code of conduct

Removal

Attempts to exploit the system for gas fees

Removal

Spreads false information or misrepresents data

Investigation and potential removal

Exhibits abusive or disrespectful behavior

Removal

Actions include closing the delegate's forum thread, ceasing gas reimbursement, and informing the community about the delegate's status change to maintain the integrity of the system. The same actions will be taken if a delegate publicly declares that they want to resign.

Stage 2: Delegate Incentivization Program

Motivation:

To ensure high-quality influence from delegates, we need top-tier professionals with specialized skills specified below. Incentivizing delegates is not just fair but also prevents conflicts of interest, as it ensures they are focused and dedicated.

There are cases in the industry when unpaid delegates work in other roles within the DAO, diluting their effectiveness and creating conflicts of interest. By compensating delegates, we maintain their commitment and engagement, and we can rely on strong specialists who are invested in the development of the protocol.

Program Conditions

It is proposed to allocate:

Delegate Incentivization

:

- \$150,000, to be paid in LDO at the TWAP (Time-Weighted Average Price) over the program's duration (September 1, 2024 - February 28, 2025). To incentivize active participation and expert contributions to Lido DAO governance, it proposes to incentivize all delegates with more than 2M LDO delegated on Aragon and Snapshot. All participants meeting the criteria will receive equal shares of the allocated grants. No delegate will receive more than \$15,000 worth of LDO for any three months.

Framework Development and Facilitation

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It will be conducted by the DAO Ops Workstream Members and Agora members, under the [\[EGG\] st2024, v2, Lido Contributors' Group Grant Funding](#).

Program Steps

1. Program Approval and Delegate Oversight Committee

Formation

This committee will facilitate delegate operations, evaluate performance, distribute incentives, maintain transparent communication with contributors and token holders, and publicly report all changes and events related to the program.

The committee will include:

[@Jenya_K](#), [@kadmil](#), [@Olga_Kniazeva](#) from Lido DAO Contributors Group, and Charlie Feng, Marcela Ochoa from Agora.

1. Delegate Application Process
2. applications open 14 days after proposal approval. Interested parties must apply to participate in the rally.
3. Rally Phase
4. 3 weeks

Token holders (or "Delegators") will use a unified delegation interface to delegate their voting power in both Snapshot and Aragon. Marketing activities (e.g. Twitter posts and perhaps spaces) will be held to promote delegation during this time.

1. Compiling the List of Eligible Delegates

After the rally, a list of delegates eligible for incentivization within the pilot cycle will be compiled.

Eligibility criteria:

be a part of a public delegate platform, and possess more than 2M LDO delegated in both Snapshot and Aragon (2M on

Snapshot AND 2M on Aragon).

1. Evaluation and Incentives Disbursement
2. Delegates will be evaluated quarterly. The evaluation process will be transparent and will include assessments based on the following criteria:

Quantitative criteria

:

- Vote Participation Rate

: Delegates must participate in at least 70% of votes each quarter.

- Number of Delegated Tokens

: Delegates must maintain more than 2 million LDO tokens delegated on both Snapshot and Aragon.

Qualitative criterion

:

- Participation in Proposal Discussions

: Active involvement in discussions on proposals in the forum and other relevant platforms.

The committee will assess the delegate's fulfillment of key expectations (listed below).

The committee's evaluation will be publicly communicated on this forum. All participants meeting the criteria will receive equal shares of the allocated grants

if not asked not to be paid at the delegate thread.

Key Expectations of Lido DAO Insetivized Delegate:

1. Representing Token Holders:
2. Read, analyze, ask questions, provide public feedback, and make decisions on Lido DAO proposals
3. Ensure actions and decisions resonate with the interests of token holders and the community
4. Ensure actions and decisions align with [Purpose, Mission, Vision](#)
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6. Ensure actions and decisions resonate with the interests of token holders and the community
7. Ensure actions and decisions align with [Purpose, Mission, Vision](#)
8. Community Engagement and Transparency:
9. Spark and participate in discussions on forums, crypto Twitter, and other platforms. Engage with the community on important DAO votes (approx. 1 proposal per month)
10. Conduct independent analysis of proposals that going to move to vote or highlight the need for third-party analysis
11. Be a part of the public delegate platform
12. Spark and participate in discussions on forums, crypto Twitter, and other platforms. Engage with the community on important DAO votes (approx. 1 proposal per month)
13. Conduct independent analysis of proposals that going to move to vote or highlight the need for third-party analysis
14. Be a part of the public delegate platform
15. Voting:
16. Vote in 70% of votes/quarter
17. Participate in community update calls
18. Vote in 70% of votes/quarter

19. Participate in community update calls

20. Expertise and Advisory:

21. Delegates should provide feedback and expert advice in their respective areas of expertise to contribute to the overall strategic direction and governance of the DAO.

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Wishlist or Desired Expertise for Delegates:

- Business/Strategy:

Skills in business development, strategic planning, and execution.

- Staking:

Deep understanding of the staking market and tech.

- Tech/Dev:

Proficiency in blockchain and development.

- Finance:

Strong background in financial management, analysis, and strategy.

- TradFi/Insti:

Experience in traditional financial institutions and insights into institutional investors' needs.

- Governance:

Expertise in decentralized autonomous organizations and governance models.

- EF Aligned:

Deep understanding of Ethereum's principles and active engagement with the Ethereum Foundation.

Note:

I ([@Jenya_K](#)) think that it's good for DAO to have a diverse and expert set of delegates to ensure well-rounded evaluations and decisions on proposals.

Maintaining Reliability

During the pilot cycle, the committee reserves the right to exclude a delegate from the incentivization program based on its assessment.

Procedure:

If exclusion is considered, the committee will publicly announce this intention. A mandatory discussion and feedback 7 days period will follow before finalizing the decision.

This final step ensures that any decision to exclude a delegate is transparent, deliberative, and open to community input, reinforcing the program's commitment to fairness and accountability.

Funding Operations

For the pilot program, LEGO will fund a Delegate Oversight Committee after quarter evaluation, for continuous Delegate Incentivisation.

This proposal will be suggested for approval by the Lido DAO via Snapshot vote. If accepted - \$150,000 equivalent in LDO is to be transferred via Easy Track motion to the [LEGO committee multisig](#) to be used as grants for delegates incentivization program during 01-SEP-2024 - 28-FEB-2025.

Conclusion

In summary, this proposal aims to establish a robust framework for public delegate participation and incentivization within the Lido DAO. By creating an official public delegates platform and implementing a six-month Pilot Delegate Incentivization Program, we aim to increase active voting participation and improve the quality of discussions and feedback.

Next Steps

1. Snapshot Vote

: The proposal will be put to a Snapshot vote on July 25, if no objection from the community

If passed:

1. Delegate Application Period

: Applications for delegates will be open from August 2 to August 16.

1. Delegate Rally

: The delegate rally will take place from August 19 to September 7.

1. Program Start

: The first season of the incentivization program will commence on September 8.

1. First Quarter Incentives Distribution

: Incentives for the first quarter of the pilot will be distributed from December 2 to December 8.

1. Second Quarter Incentives Distribution

: Incentives for the second quarter of the pilot will be distributed from March 3 to March 7.

Q&A

- Can voters overwrite a delegate's vote?

Yes, a holder can always overwrite (mechanics allow tokenholder to change delegate vote after they cast it) a delegate's vote if they have a different opinion. Even if they share the same opinion, they might overwrite to express personal support for a particular initiative.

- Is voting power only delegated to public delegates?

No, delegation is not limited to the public list. The public list and the list of compensated delegates are meant to guide those who need assistance choosing a delegate. You can delegate to yourself, a friend, or form a team and vote privately.

- Can the Committee automatically revoke voting power from a delegate?

There is no measure to automatically revoke voting power. All the committee can do is communicate and publicly announce if something is wrong with a delegate, whether they are inactive or behaving oddly. They do not have the authority to manage the tokens of a holder, including revoking delegation.

- What happens if a delegate who was removed for inactivity wants to return?

If a delegate is removed for not voting but becomes active again, we would welcome them back. Their previous removal does not prevent them from participating again if they resume their responsibilities.

- How many delegates are expected to be in the incentivization program?

It is important to note that this is a personal estimate, as this is a pilot program and clarity will improve after its completion. However, it is anticipated that there will be approximately 4 to 6 delegates.

- Will the framework change in the future?

Yes, this is a pilot cycle, and there will certainly be opportunities to improve the framework based on the experience gained over six months. This is one reason for collaborating with the Agora team, as they are considered one of the strongest teams in user experience and governance in Web3.