

Proposal: Continue Curve stETH LDO liquidity scheme for 12 months / vote on the quantity of LDO to be distributed on a monthly basis.

(In collaboration with [kras](#))

This proposal is based on the initial '[Incentivizing Curve stETH liquidity with LDO](#)' proposal.

Overview

This proposal covers the implementation of LDO rewards for Curve stETH liquidity providers that stake in the Curve liquidity gauge.

stETH holders who add stETH/ETH liquidity to Curve - in addition to making use of the Curve liquidity gauge - are rewarded with LDO emissions.

Problem

Unstaking ETH is currently unavailable and additional Curve pool incentives will make stETH/ETH more liquid as well as stable in peg.

There's a need to incentivize stETH/liquidity to maintain a 1:1 exchange rate and to allow the seamless transfer between the two assets.

Proposal

Between Jan 12 - Feb 12, stETH liquidity providers on Curve are rewarded with 0.5% of total LDO supply as incentive.

This works to incentivize liquidity provision across Curve which in turn contributes to a 1:1 peg between stETH and ETH, effectively allowing users to unstake their ETH through the liquidity pool.

I suggest a continuation of this moving forwards - 0.5% of LDO supply for the coming 30 day period - with future amounts to be voted on on a monthly basis.

Discussion

Points of interest:

- When should the LDO amount be voted on?
- Should there be a max/min LDO amount to distribute each month?