

This is not my idea, I am not taking credit for such. This has been mentioned in the Telegram group chat. I am just creating a post here so that we can have a discussion where everyone can see this proposal and engage with it to share their ideas.

I've first seen this mentioned by [Vasiliy](#), and then brought back to my attention by [Cobie](#).

I think the best option to tackle this is in the discussion up there:

Perhaps the entire allocation of this category it [sic]

used to incentivise the Curve pool until transactions are enabled on ETH 2 – or perhaps used in more ad-hoc ways, such as “topping up” the ETH2 rewards with LDO emission until all ETH2 validators are online and the ETH staking APY is achieved.

–[Vasiliy](#)

I think the DAO should consider voting to top up the missing APY somehow until it stabilises

–[Cobie](#)

Problem

The reward rate for users who hold stETH is currently low. This is due to the long waiting queue that Lido validators must go through before they can start accruing rewards. Users are currently not getting their advertised reward rate.

Proposal

To counteract the low reward rate, users who hold stETH can be rewarded with LDO tokens through an emission schedule. This process can be similar to how LDO is currently being distributed to Curve liquidity providers—but instead of having to provide liquidity, users can just hold the stETH token instead.

This proposal only intends to counteract the low reward rate that currently exists until the ETH APY becomes relatively stable (many Lido validators finish queue).

Once the reward rate is relatively stable, this proposal should no longer take effect.

Discussion

Share your ideas on whether this proposal should be supported, how it were to take place, when it should take place, whether an emission schedule is the best option, flat distribution/no emission, etc.