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Special thanks to [@revmiller](#) and [@amy](#) for review and feedback on this post as part of the [Feedback Commission](#)

Overview

Retro Funding 4 will reward onchain builders who have deployed contracts to the Superchain and contributed to the success of Optimism. This round seeks to expand the reach and impact of the network by rewarding those building across the Superchain who have increased demand for blockspace and driven value to the Collective.

Timeline

Please note that all dates are preliminary and might change. This post will be updated to reflect future changes.

1. Sign up: May 23rd - June 6th
2. Application Review Process: June 6th - June 18th
3. Voting: June 23rd - July 8th
4. Results & Grant delivery: July 15th

What impact will be rewarded?

Retro Funding 4: Onchain Builders will reward impact which has been generated between October 2023 - June 2024. Impact will be rewarded within the following topics:

- Demand generated for Optimism Blockspace
- Interactions from repeat Optimism users
- Interactions from Optimism users with high trust scores
- Interactions of new Optimism users
- Open Source license of contract code

Eligibility Criteria

In Retro Funding 3, the Retro Funding sign up process saw a large influx of spam and low-quality applications. By setting stronger eligibility criteria in Retro Funding 4, the Foundation aims to provide clarity to builders and reduce the amount of human review required for spam and low-quality application. In addition, qualifying criteria reduce the number of applicants who have not generated sufficient impact to receive rewards (such as the below requirement of a minimum number of unique address interactions). The below eligibility criteria aim to strike a balance between broad inclusivity and sufficient requirements to allow for an operationally viable Retro Funding round.

Builders are eligible who have

:

- Deployed their onchain contracts on one or multiple OP chains (OP Mainnet, Base, Zora, Mode, Frax and Metal) and meet the following criteria:
- Onchain contracts have interactions from 420 unique addresses during Jan 1st - May 1st 2024
- Onchain contracts had their first transaction before April 1st 2024
- Onchain contract had more than 10 days of activity during Jan 1st - May 1st 2024
- Onchain contracts have interactions from 420 unique addresses during Jan 1st - May 1st 2024
- Onchain contracts had their first transaction before April 1st 2024
- Onchain contract had more than 10 days of activity during Jan 1st - May 1st 2024

- Verified their onchain contracts in the Retro Funding sign up process
- Made their contract code available in a public Github repo, for which ownership has been verified in the Retro Funding sign up process
- Confirmed that they will comply with Optimism Foundation KYC requirements and are not residing in a sanctioned country
- Submitted a Retro Funding application before June 6th, 2024 and comply with application rules

Round Sizing: 10m OP to reward Onchain Builders

Retro Funding 4 will allocated 10m OP to reward the impact of Onchain Builders. The OP token allocation for Retro Funding 4 should reflect the impact generated by onchain builders, as well as set a strong incentive for the continuous generation of demand for Optimism blockspace.

Below you find some considerations which informed the Foundation's round sizing decision:

1. Underallocation to Onchain Builders in Retro Funding 3:

Previously, Retro Funding 3 allocated a total of [1.5M out of 30M OP](#) to the top 20% of applicants who generated network usage. There has been [strong feedback from badgeholders and community](#) members that this allocation was too low and should be increased in future rounds.

1. Growth in developer activity since last round:

The Collective is focused on growing the number of active onchain developers. Developer activity, across the Superchain, [has seen a large increase over the past six months](#). Thus, Retro Funding rewards to these types of contributions should increase to reflect this increase in impact.

1. Collective sustainability:

In Retro Funding 3, badgeholders have [raised concerns around Retro Funding sustainability](#). Retro Funding currently relies on the Retroactive Public Goods Funding token allocation of 850M OP for rewards. [In the future](#), Retro Funding will rely on surplus protocol revenue as the source of rewards. Currently, [Total Collective Contributions](#) (of surplus protocol revenue) fall short of what is needed to sustain Retroactive Public Goods Funding. Additionally, in Retro Funding 3, badgeholders raised points [around the relationship of rewards to the sequencer revenue](#) to ensure rewards don't exceed the sequencer revenue itself. By allocating a significant amount of OP to rewarding onchain builders, the Citizens' House is incentivizing developer growth and increased network activity.

Future round sizing

The Foundation will size Retro Funding 4 & 5, and will proposes round sizes for Retro Funding 6 & 7, to be ratified by the Citizens' House. In the future, this process will gradually transition to be more community-led, which may involve the creation of a Budget Board, or similar, in future Seasons. Round sizing decisions are currently informed by the amount of impact observed within the Collective, considerations for incentivising contributors to take action, and sustainability of Retro Funding rewards. In the future, these decisions should be made based on a framework which takes a number of established measurements and criteria into. We invite Data NERDs to explore measurements and criteria which will inform governance participants to make informed budgeting decisions in the future.

Voting design

Retro Funding 4 experiments with [Metrics-based Evaluation](#), with the hypothesis that by leveraging quantitative metrics, citizens are able to more accurately express their preferences for the types of impact they want to reward, as well as make more accurate judgements of the impact delivered by individual contributors.

In stark contrast to other Retro Funding experiments, badgeholders will not vote on individual projects but will rather vote via selecting and weighting a number of metrics which measure different types of impact. You can find out more about prototypes and explorations that informed this design [here](#).

Impact metrics

All Citizens will be asked to vote in Retro Funding 4 and will be invited to actively shape and input on the design of impact metrics via discussions on the forum as well as a workshop. More details on the process of selecting impact metrics and their design will follow soon.

Voting interface

[Opensource Observer](#) is leading the development of impact metrics and relating infrastructure.

[The Agora team](#) is building the voting API for Retro Funding 4, with the team building the voting interface being selected via a [Foundation Mission Request](#). The Foundation will provide designs and specs for the voting interface and will invite badgeholders to participate in user testing and user experience research.

KYC & Grant delivery

The Optimism Foundation is making active improvements on the KYC & grant delivery process. Grants will be streamed to recipients over 100 days

, following the announcement of results and approval of KYC. Superfluid is providing infrastructure for the streaming of Retro Funding grants.