Welcome to December's reWARDS budget.

Details are below as usual. This proposal will be open for community feedback for 3 days. After which, if there is no contention, it will be acted upon.

If there are budget updates throughout the month, they will be posted under this topic for transparency.

The sections are as follows:

- Operational Updates and Topics

- Budget and breakdown

- Reasoning

- New experiments

Operational Updates and Topics:

- We're still providing a higher level table of networks' allocations and a .csv file with the specific pools/integrations by network and platform. No updates in the general structure this month as there have been no changes chains-wise.

- Last month we shared that a public dashboard monitoring Lido's reWARDS multisigs would be made available. It is now here, in the public LidoAnalytical dune. Transactions are labeled to the best of our ability to make it easier for community auditoring!

Budget and Breakdown

The December budget calls for 3,471,050 LDO.

(Actual 3,155,500 + 10% buffer)

Remaining balances estimated at EOM (unspent and left in the different multisigs by the last day of November and usable for November's spend, rounded to thousands):

- Ethereum: 217k LDO

- Solana: 239.5k LDO

- Polygon: 40k LDO

- Moonbeam (Polkadot): 46k LDO

- Moonriver (Kusama): 10k LDO

- Arbitrum: 52.5k LDO

- Optimism: 40k LDO

- Total: 645k LDO

Requested budget 2,827,000 (Budget Call - Remaining, rounded)

To be distributed across the following pools and networks with the buffer of 316,500 LDO held for unaccounted needs during the month.

The colors correspond to an increase or decrease of LDO for the month.

The detailed .csv file is provided here.

[

878×409 152 KB

](https://europe1.discourse-cdn.com/business20/uploads/lido/original/2X/1/13c09df42ee6fc6fdf9e652a934078f9e3220df8.png)

Reasoning:

Ethereum

In November we kicked off wstETH to stablecoins liquidity on mainnet, under a partnership with KyberSwap. The results of that can be tracked in real time in [this new dashboard](#).

On another note, with the extreme situations we saw in the crypto markets in November, our main (w)stETH-ETH pools on mainnet were hit due to reasons completely unrelated to Lido. This is, of course, a situation we're very closely [monitoring](#).

Additionally, November ended up being a month with three balancer hidden hand bribing rounds, which was the reason for the actual spend here being considerably higher than what had been budgeted for (still well under the allowed buffer).

Solana

The Solana DeFi ecosystem [was obviously hit very hard](#) over the past few weeks. As such the Lido on Solana team acted quickly to manage incentives spend through this month. A list of their actions reWARDS-wise was posted [here](#).

This was the main reason for the drastic reductions in both actual and requested incentives on the solana side.

Polkadot

We have the first lending pool with wstDOT as collateral launched on Midas.

LDO leftovers are due to rewards amounts being adjusted accordingly with partner protocol's rewards and target TVLs for the period.

Kusama

No additional protocols to be launched for now, so there were leftover incentives here.

December budget has Solarbeam refills both for December and January to adjust operations timing.

Polygon

In December we had a planned 22.7% incentive emission decrease compared to November and 36.5% cumulative by EOY. Due to the market state, aftermath of several black swan events and net stake withdrawals we further reduced the emission to 36.64% which counts for total of 47.15% decrease by EOY. This is essential and important step for Lido sustainability and macro plan of Lido wide incentive reduction.

We also worked on current pool and vault optimisation and will continue to do so this month. Optimisation is in correlation with incentives where we've retired underperforming positions.

This month Beefy will have concentrated liquidity vaults and we will open new markets there on UniV3 and support our Kyber depth.

In early December general Aave wMatic parameter optimisations are going live to reduce borrow APY and we will finally be able to utilise advanced DeFi strategies.

By that time we will also be able to incentivise lending side on Aave for stMatic. Development is done and snapshot vote can be seen [here](#).

Considering 40k leftover, 20k was reserved for Aave which was explained above / not launched.

20k was reduced as part of the incentives winding down movement.

Arbitrum & Optimism

In December we anticipate a new round of integrations on Ethereum L2 networks. Some of the integrations that were slated for November were not accomplished, due to technical and market condition related blockers. Most of these should move forward in December - and the LDO that was allocated to related incentivisation campaigns remains in the Lido team multisigs.

We've built and made public two dashboards showing pools, integrations and rewards performances on both [Arbitrum](#) and [Optimism](#).

New Experiments:

We've continued to reduce and optimize overall incentives spend across most networks Lido is in.

Big improvements have been made which can be seen from the overall budget requests as well as from the [transparency](#) provided. There's, however, still a lot of room for improvement in how we optimize spend, and it is still a work in progress.

In November we experimented with vlAURA bribes, with the new [USDC-wstETH](#) pool aforementioned, and are actively

exploring 5 to 7 ways of incentivizing new types of liquidity (concentrated and/or stablecoins). Additionally, sizeable reductions and optimizations in incentives have been made across the non-ETH Lido on X

reWARDS programs (which can be compared with previous budgets).

We have also worked on the process of how the committee makes decisions on new incentives opportunities and inbound requests.

As always, we appreciate all community feedback on this!