

Ecosystem Grants Grequest (EGG): A Budget Request Framework in the service of GOOSE

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](https://europe1.discourse-cdn.com/business20/uploads/lido/original/2X/6/608b8f56e976f393d5e3b723b7096a8396fc96a7.jpeg)

Background

Through the [“GOOSE”](#) (Guided Open Objective Setting Exercise), Lido DAO token holders are able to signal 12 and 36 month goals they have a preference for.

Independent proposals may require DAO grant funding to achieve these GOOSE goals. The Ecosystem Grants Grequest (remarkably, EGG as an acronym) is a common format for organizing the structure of proposals, in a way to make it easier for token holders of the DAO to review and select.

Token holders of the DAO always retain the ability to vote for whatever on-chain proposals they feel like. The EGG format is just a suggested format that could work as a social signal of DAO culture for contributors to follow voluntarily. In any case, token holders have the ultimate say, and may decide to approve grant requests that do not follow this template.

EGG Principles

In the most abstract form, an EGG request should benefit from incorporating the following properties:

1. Token holders have the ultimate say
2. Open:

Open access to participation from the community with unrestricted ideation constraints

1. Aligned:

Alignment with 12 or 36 month goals expressed by DAO token holders through the GOOSE process

1. Engaged:

Regular community interactions for tracking progress towards well-defined milestones

Furthermore

- EGGs must have a best-before date, defined upfront, with a maximum of 12mos
- Token denominations are in stETH, DAI, LDO or a combination thereof

Difference between EGG and LEGO:

Grant requests at LEGO are typically more constrained in size and do not necessarily have to have a relationship with the GOOSE goals directly, but are focused on supporting the broader Ethereum and decentralized staking ecosystem.

EGG Request Template

An open-source Markdown template is available

[→ [HERE](#)

](https://github.com/Steakhouse-Financial/egg/blob/main/template.md)

to make it easy for individuals or organizations to ask the DAO for an EGG. Changes and improvements to the template are always welcome.

By using a template, proposers are guided to formulate a request that more effectively communicates their case. For voting token holders, the template should provide structured information and context to be able to evaluate the proposal's merits within the broader context of the DAO's overarching mission and objectives. Eventually, the framework would allow the DAO

to be able to review and analyze the actual budget spent by different criteria. For example, how much was spent advancing a specific

- Near-term goal

(e.g. make stETH the most used token in the Ethereum ecosystem, Lido attracts best validators in the market, Lido DAO has effective, decentralised governance

- Proposer type

(e.g. Lido Contributor Group, node operator, developer, researcher, community builder, etc.).

- etc

Segmenting expenditures and aggregating them across various dimensions has the potential to provide the DAO with a richer perspective on resource allocation. Given that Lido DAO is not a company and does not have a 'cost of capital', grant outcomes cannot be evaluated in a traditional metric like ROIC. However, this framework may bring the DAO a step closer to collectively developing an intuition for the efficiency of its spend with regards to the achievement of its mission, i.e. what the grant outcomes were like in relation to the amount of resources dedicated to specific objectives.

For instance, consider a hypothetical scenario, where during the year 2024 the DAO approved grant requests totaling x DAI to advance its one-year goal of "Lido attracting the best validators in the market." As 2024 concludes, the community around the DAO has more data to discuss and self-assess the effectiveness of the x DAI grant and find consensus around whether the grant advanced a specific GOOSE goal. Such introspection presents a collective learning opportunity for the DAO community and a more vibrant arena for discussion.

Over time, this feedback loop may refine the DAO's grant allocation practices and nurture a culture attuned to efficiency at attaining the DAO's mission of decentralizing Ethereum.

EKG Request Example: A proposal for partnering with Nethermind to design a mechanism for a good validator set maintenance

Taking into account the above principles, we propose that the DAO consider adopting a template for open budget submissions. We have adapted the successful [Nethermind](#) research proposal which met many of the criteria for what we would consider to be a comprehensive EKG. We've retrofitted it into the recent (unapproved) [proposal](#) from Hasu and his selected goals:

1. Lido DAO has effective, decentralized governance
2. Lido attracts the best validator set in the market
3. Make stETH the most used token in the Ethereum ecosystem

[→ Full file [HERE](#)

](<https://github.com/Steakhouse-Financial/egg/blob/main/example.md>)