

Context

Earlier this month, the [\[Lido-v2\]](#) ongoing grant request proposal was voted on via [snapshot](#) and [approved](#).

One of the sections of the proposal – Liquidity incentives, sales & marketing

– had two core results:

1. To establish “a hard cap of 4m DAI equivalent for domain and liquidity incentives

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1. To switch from the use of LDO tokens as the denomination of rewards to stETH.

This specific section targets the period from June through December of 2023, and as such, these two results apply from the next reWARDS budget (June's) onwards.

Proposal

2m DAI equivalent (half of the 4m DAI equivalent approved in the proposal above) are earmarked to be used for liquidity incentives, in continuation of the reWARDS program, until the end of the year, coinciding with the end of the budget's scope.

This 2m DAI worth of stETH or wstETH is to be disbursed over the course of 7 months (June through December).

While month to month total reWARDS budgets may vary up or down, and while additional funds may be requested as mentioned in the aforementioned proposal too, the baseline for a month's overall reWARDS budget should then be 1/7th of this (or, roughly, 285k DAI worth), until the rest of the civil year.

For June, this baseline amount will be targeted, which at current stETH market price (1820 DAI) is around 157 stETH. As per usual, a buffer should be added for eventual unaccounted needs during the month.

- As such, this is a proposal for the reWARDS committee, via its [multisig on ethereum mainnet](#), to receive 170 stETH from the DAO treasury to fund June's reWARDS program.

Depending on timings, this can be done via one of the following two options, as to avoid any halts or operational problems on the monthly schedule and ongoing reWARDS programs:

1. By having the [Easy Track setup for reWARDS in stETH](#) ready to initiate motions by the 27th of May 2023;
2. Via a separate DAO vote to transfer the aforementioned stETH amount from the DAO treasury to the [reWARDS committee's ethereum mainnet multisig](#).

The proposal is to start a DAO vote to enact option 2. if Lido contributors believe option 1. won't be ready by the mentioned date (given it requires deployments and also a DAO vote).

In the latter case, the [Easy Track setup for reWARDS in stETH](#) should still be done later to be ready for use for July's reWARDS (and the following months').

Note

A [regular monthly reWARDS budget proposal](#) will be posted here on the forum by the end of this week as per usual.

It should follow the overall budget number mentioned in the present post, but, as always, will be expanded with detailed integrations, pools, numbers, leftovers treatment and network budgets.