(Previously known as: DeFi Political Defense Fund)

Past discussion:

Temperature Check | Snapshot

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Proposal to allocate one million UNI to create and fund the "DeFi Education Fund," a 501(c)(4) nonprofit entity based in the United States to provide grants for political, educational, and legal engagement. This proposal has passed the temperature and consensus checks with massive supermajorities and healthy, spirited debate. Since the Temperature Check posted, the need for this fund has become even more apparent. We have incorporated much of the constructive feedback to balance transparency and effectiveness in this entity's important mission for the community.

The 501(c)(4) will fund education and advocacy through both existing advocacy organizations and potentially new ones. The funding will have the goals of 1) challenging misguided regulatory, legal, and political threats to decentralized finance; 2) achieving regulatory clarity for decentralized finance and related activity; 3) advancing laws that support decentralized finance and decentralized governance; and 4) spurring other DeFi protocols' governance bodies to contribute to the effort (through this entity or their own). The entity will be nonpartisan and global in approach and orientation.

The DeFi Education Fund will fund all of the following:

- Policy-maker education: we need more people directly educating legislative and regulatory policymakers about DeFi and advocating for policy positions that favor DeFi and its participants;

- Thought leadership and research: we need more written and video content explaining DeFi and its benefits in a medium that positively impacts the public perception of DeFi;

- Legal firepower: we need to develop a strong bench of legal advocates in multiple jurisdictions and venues;

- Messaging: we need to better formulate ideas, prepare spokespeople, and communicate to policymakers and the general public on the benefits and promise of DeFi;

- Grassroots advocacy: we need to make it easy for individuals who already care about DeFi to voice their opinions to policymakers globally alongside organized efforts; and

- Best practices: we need more analysis and legal models for all DeFi projects to benefit from collectively.

This entity will not replicate the great work of existing organizations such as Coin Center, Fight for the Future, the Blockchain Association, the Crypto Council for Innovation, the Defi Alliance, Blockchain for Europe, or others. Rather, among other things, it will help to fund these and other organizations to expand their capabilities to more effectively protect and advance DeFi protocols.

Further, this entity will extend its monetary impact by conditioning some of its grants with matching by other governance treasuries, crypto foundations, or crowd-matching.

Grants administration for advocacy is a subjective process that cannot be easily automated, and thus we propose a grants committee overseen by an accountable entity. This committee will hire a grants-making leader or staff and create an efficient, predictable process for applicants.

We propose the following as the initial committee members, with a subset of them serving as the entity's board of directors. All have expressed their willingness to join the committee:

1. Larry Sukernik

, co-founder, Reverie.

1. Rebecca Rettig

, General Counsel, Aave Companies.

1. Jake Chervinsky

, General Counsel, Compound Labs & Strategic Advisor, Variant Fund.

1. Marc Boiron

, General Counsel, dYdX Trading.

1. Katie Biber

, Chief Legal Officer of Brex, Board of Directors of Anchorage.

1. Sheila Warren

, World Economic Forum, Executive Committee (Cryptocurrency Lead).

1. Marvin Ammori

, Chief Legal Officer, Uniswap Labs.

Due to the dynamic and somewhat unpredictable state of global policy proposals, we believe the grant-making committee should have considerable discretion to allow for flexibility and speed, subject to the necessary disclosure of its activities on a regular basis. We expect many members to serve pro bono and total compensation across the committee to be less than $150,000 annually.

The following changes have been incorporated due to community feedback:

- The name will focus on education rather than defense–the DeFi Education Fund.

- The scope is broadened to include the funding of organizations and work promoting best regulatory practices among those in the DeFi ecosystem.

- Beyond the considerable disclosure required for a 501(c)(4), the entity will publicly post monthly community updates on progress, grant allocation, tactics, etc… These updates will not only ensure trust but will also keep the community informed on when and how they can lend their voice to the policy process. When there are surprises, as there so often have been in the policy space, we will report why and how funds will be reallocated to address them.

- The 501(c)(4) will promptly hire at least one full-time staffer to manage the day-to-day operations of the organization with oversight from the board of directors and who will serve as the primary point of contact for the governance community.

- The 501(c)(4) will issue a detailed budget within 90 days of the proposal passing. Budgets, projections, and 5-year plans often must be revised and amended.

Multisig wallet address: 0x1C95930Dfc1139381265ce45B5f480F1EFae09A1

A Word About Trust and the Multisig Wallet:

While we are thrilled the Consensus Check passed withstrong approval (73% for, 27% against), it's important to us that we operate this initiative in a way that even those who voted against can get behind.

In particular, there was feedback that the proposal asked for a lot of money upfront with little in the way of checks and balances. Below, we detail some of the steps we took to improve the design of the proposal. We won't claim that it's a perfect solution, but it is a big upgrade to what was proposed earlier.

To safely and transparently hold the funds, a 4/7 multisig consisting of the seven committee members was created at the following address: 0x1C95930Dfc1139381265ce45B5f480F1EFae09A1. To be even more precise, here are the names and addresses of the seven multisig members:

- Jake Chervinsky | 0xdC856762b024814F6B5dc28e97e514e001D6820C | o/b/o Defi Education Fund

- Larry Sukernik | 0x773EE93E36bAaFa7F73B41ccC6800126829d3589 | o/b/o Defi Education Fund

- Rebecca Rettig | 0xcF8C946C6819dafE62f82803E01eB27Ea232825C | o/b/o Defi Education Fund

- Marc Boiron | 0x2132bEADc4D7b196249c1A746B8eeA91099bb1cE | o/b/o Defi Education Fund

- Marvin Ammori | 0xea067C58367D022a1c58354fE544C542c68587ec | o/b/o Defi Education Fund

- Katie Biber | 0xcB598f253818398f3d91595f22D897096e240Ae3 | o/b/o Defi Education Fund

- Sheila Warren | 0xbcAD071A51896666c3B48fC5Fd5A872981FB254E | o/b/o Defi Education Fund

While a multisig wallet goes a long way towards trustlessly holding funds, we think Tally's new open-source product, Failsafe, would do an even better job (fun fact: Failsafe was funded by the Uniswap Grants Program).

Simply put, Failsafe is an additional safety mechanism built on top of the multisig wallet that allows Uniswap tokenholders to (i) stop any multisig transaction from taking place, and (ii) request funds sitting in the multisig to be sent back to Uniswap's treasury. We think this is a powerful product that all multisigs should use in the future.

Although we want to use Failsafe as soon as possible, the product is just entering its trial phase with the Uniswap Grants Committee and is in the process of receiving code audits. While that means we can't use Failsafe from the get-go, the good news is Failsafe can be deployed on top of the multisig wallet after the fact

. Once audited, we'd like to integrate it to allow UNI tokenholders to have the ultimate say over the funds.