

The following is a proposal to allocate a portion of reWARDS budget to community generated “outside the box” ideas that have the potential to produce higher ROI than current strategies. I will provide some example ideas below in hopes of inspiring other submissions. We can then hold a vote to decide which, if any, ideas are worth pursuing and how much should be invested. I will focus on the Solana ecosystem because who doesn’t like an underdog?

Problem

A cursory review of reWARD incentives within the Solana ecosystem suggests that the market is not responding to the economic incentive for stSOL adoption and liquidity. mSOL has approximately 3X the circulation of stSOL despite more attractive APY’s across most stSOL trading pairs. Competition aside, reWARD incentives do not seem to be meaningfully increasing liquid staking adoption within the ecosystem and the vast majority of staked assets are illiquid.

Idea Submissions

Orca, one of our main reward partners on Solana is “The Dex for People, Not Programs”. I suggest we design and promote some adoption and liquidity incentives “for People, not Programs”.

1. Partner with Orca and Solana Foundation to create a program where USDC/stSOL or stSOL/SOL liquidity providers are awarded an NFT after $x\text{Capital} \times x\text{Time}$ that is redeemable for a SAGA phone.
2. Partner with Saber/Mercurial and Solend to allow stSOL/SOL pair to be used as collateral in Solend (currently they only support mSOL/SOL). All LDO/SBR/MER/SLND rewards (plus a contribution from our friends at Circle?) become seed funding for a DAO whose mission is to promote Solana Pay and USDC adoption in developing world.
3. Use either of the above pools or whatever but partner with Magic Eden to create “Lido stSOL Madness”. This is a tournament modeled after NCAA March Madness where 64 different artists submit a piece of art to compete in a tournament to crown the best submission. Increasing portion of rewards are given to surviving artists after each round of the tournament with the winner taking the grand prize. Pool depositors are given voting power based on the amount they deposit as well as a 1 of X (ordered by pool weight to discourage sybil) of each NFT they vote for throughout the tournament.

To encourage more ridiculously brilliant idea submission like these ones, consider giving 1% of LDO rewards that are allocated to this initiative to the idea submitter.