CIP-63: Renewing the CoW Grants Program

CIP: 63 title: Renewing the CoW Grants Program author: @Chim9, @Kubesqrt, @middleway.eth, @notsoformal, @mfw78, @c3rnst, @Master_CoW status: Active created: 2025-01-21

Simple Summary

With the passing of this CIP, the mandate for Grants DAO continues for the period of 1st February 2025 through and including 31st January 2026.

For this period, the proposal requests an additional 383,000 xDAI from the Treasury held funds. With this additional funding, the available funds at the discretion of the Grant Committee to give out for funds in 2025 is 600,000 xDAI and 1,465,260 COW for Grant activities and 4,990,000 COW for volume grants.

The use of grants in the CoW ecosystem is a critical driver for fostering innovation and growth. Grants not only incentivize builders to develop on top of CoW but also encourage the creation of impactful products that align with the ecosystem's goals. Since the inception of the Grants DAO, the initiative has successfully onboarded several impactful projects that have significantly advanced the CoW ecosystem, contributing positively to its expansion and overall utility.

Motivation

The CoW Grants Program has been instrumental in supporting innovation and growth for CoW Protocol. Over the past term, the program has successfully funded impactful projects and contributors. Since its inception, the Grants DAO has supported the development of many innovative features and tools for the CoW Protocol ecosystem, including:

- Safe Composable Conditional Orders

: This feature significantly enhanced CoW Swap's functionality by enabling developers and integrators to create custom orders with unique, on-chain enforceable conditions. It also facilitated the launch of the "Programmatic Orders" framework, broadening CoW Protocol's application scope.

- CoW DeFi Hook Interface

: Currently under development, this initiative aims to make CoW Protocol services based on hooks more accessible and user-friendly, improving the overall user experience for developers and integrators.

Highlights from the most recent cycle further demonstrate the program's effectiveness:

- Core Contributors

: The program funded key contributors like Hertzov for copywriting, MFW78 for software and engineering tasks, and a UX/UI design from L1ighthouse Services LLP. These contributors played a crucial role in advancing CoW Protocol's usability and infrastructure.

- ZeroMEV Project

: The program funded the open-sourcing and maintenance of ZeroMEV, a critical tool providing transparency in MEV data and supporting MEV mitigation research within the Ethereum ecosystem.

- CoW AMM Deployer

: A Safe App was funded to enable seamless interaction with CoW AMM Module contracts, simplifying the setup and management process, thereby encouraging adoption and utilization.

- Governance Dashboard

: A comprehensive governance analytics dashboard was developed using Dune, consolidating key metrics on proposals, voting, and delegation, enabling the community to make informed governance decisions.

- Redeploy CoW Subgraph

: Funding was provided to upgrade and redeploy CoW Protocol's subgraph infrastructure, adding support for Arbitrum One and Sepolia, ensuring robust and scalable infrastructure across networks.

Grant program financial position

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Financial position

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](https://europe1.discourse-cdn.com/flex013/uploads/cow/original/2X/7/79a1811352d7a236108dd0d6e3a02d2a12fd9e3d.png)

Considering since the Grants program was created:

- Payouts Completed

: So far, the Grants DAO has distributed a total of 919,853.03 xDAI and 2,602,740 COW, of which 1,010,000 COW was for the Volume program.

- Total Commitments

: The Committee has committed 922,597.69 xDAI and 1,661,500 COW to various projects and initiatives. These commitments account for 51.26% of the xDAI budget, 53.60% of the COW budget, and 16.83% of the COW Volume allocation.

- Volume-Based Grants

: Of the 6,000,000 COW allocated for volume-based grants, 16.83% has been committed. To date, multiple milestones have been met, and payouts have been made to eligible projects under this category.

The above allocations lead to a free funds allocation, from the prior CIP mandate of 198,803 xDAI, 1,1465,260 COW, and 4,990,000 COW allocated for Volume-Based Grants.

Given the above remaining allocation, which will continue to be available for Grant allocation via the Grants DAO committee, the Grants DAO committee requests under this CIP for the following additional funding:

1. An extra allocation of 383,000 xDAI (to initiate the year with a full budget of 600,000 xDAI;
2. The power to allocate part of the CoW Volume budget to non-volume CoW grants.

The xDAI funds should be sent by the Core Treasury team to the Grants DAO Safe (gno:0xDA00000B30dCf0C3f5d968e4451Ebdee6950d63e) in two instalments:

1. On passing of this CIP: 183,000 xDAI
2. By Jul 2025: 200,000 xDAI

Bonus Allocation for Grants

The Grants DAO Committee proposes the introduction of a discretionary bonus allocation for grants (to benefit of the grantee). This bonus will not be tied to milestones but will be awarded based on exceptional circumstances where the grantee has demonstrated outstanding performance, added significant value to the CoW Protocol ecosystem, or completed additional work beyond the scope of the original agreement. This bonus will be decided solely by the COW GrantsDAO.

Criteria for Grant Bonus Allocation:

1. The grantee has delivered extraordinary results or exceeded the original expectations outlined in the grant agreement. This could include:
2. Significant technical advancements or innovations.
3. Impactful contributions that improve the CoW Protocol ecosystem beyond the immediate project.
4. Unforeseen challenges that were successfully overcome, with exceptional outcomes.
5. The grantee's work has had a substantial positive impact on the broader CoW Protocol community or ecosystem. For example:
6. Contributions to open-source development.
7. Growth in ecosystem adoption or increased usage of CoW Protocol tools and services.
8. The grantee has demonstrated a high level of efficiency by completing the grant project ahead of schedule without compromising quality.
9. The team has provided additional resources, documentation, or features not initially requested but highly beneficial to the CoW Protocol community or ecosystem.

Discretionary Process:

- Maximum Bonus: The bonus amount per grant will be capped at 10,000 xDAI or equivalent in COW. It's at the committee's sole discretion (and seen as approved with the successful payout, without the need to go through Snapshot voting).

- Budget Allocation: A specific portion of the total Grants DAO budget will be allocated to bonuses. Once this portion is exhausted, no further bonuses will be granted unless the CoW Grants DAO votes to extend the bonus budget through an on-chain vote conducted via the CoW Grants DAO's committee snapshot.

Continuation of Existing Grant Commitments

All grants that have been committed within the current mandate but extend beyond the end of the term (January 31, 2026) will remain valid and honored under this CIP. This ensures that grantees fulfilling their milestones in 2026 will still receive their allocated funding, regardless of whether the Grants DAO program is renewed beyond this term. Any such outstanding payments will continue to be administered by the Grants DAO Committee or, in the event of dissolution, transferred to CoW DAO for fulfillment.

CoW Grants Committee Structure and Operations

Committee Composition

The CoW Grants Committee

comprises five members:

- 2 Core Team Members

- 3 Community Members

The committee operates as a Gnosis Safe with a 4/5 quorum required for approving grants. Each member is responsible for overseeing multiple grants and serving as a steward for assigned grants. They guide grantees through the entire process, from onboarding to grant completion.

Committee Members and Wallet Addresses

- Community Members:

- @Kubesqrt - 0x177127622c4A00F3d409B75571e12cB3c8973d3c

- @Chim9 - 0xF44217A8b6b3f258BFFEaD635c226528aa516aea

- @mfw78 - 0x0F641723997145715d23c0129b96041011d26666

- @Kubesqrt - 0x177127622c4A00F3d409B75571e12cB3c8973d3c

- @Chim9 - 0xF44217A8b6b3f258BFFEaD635c226528aa516aea

- @mfw78 - 0x0F641723997145715d23c0129b96041011d26666

- Core Team Members:

- @middleway.eth - 0xa11da8b2d9a7883eb636d7de426025e5fd9fda1a

- @Master_CoW - 0x76ba9825a5f707f133124e4608f1f2dd1ef4006a

- @middleway.eth - 0xa11da8b2d9a7883eb636d7de426025e5fd9fda1a

- @Master_CoW - 0x76ba9825a5f707f133124e4608f1f2dd1ef4006a

Governance and Safe Operations

Nested Safe Design

The CoW Grants DAO has historically used a nested safe design, enabling the DAO to retain full control of funds. However, this structure introduced operational inefficiencies in handling transactions.

Proposed Update

To streamline operations:

- Funds will be held directly in the Committee Safe.

- CoW DAO will act as the ultimate beneficial owner (UBO)

of the Committee Safe.

This update will improve efficiency, reduce transaction friction, and allow faster payment processing while maintaining DAO oversight.

Roles and Responsibilities

General Responsibilities (All Committee Members)

- Actively participating in governance, calls, and decision-making processes.

Defined Roles

1. Technical Lead

2. Grant Steward

3. Grant Moderator

Technical Lead

The Technical Lead ensures the technical integrity of grant operations. Responsibilities include:

- Conducting technical assessments of grant applications to ensure alignment with DAO goals and technical standards.

- Managing the cowdao-grants

GitHub organization, including repository maintenance, access control, and issue tracking.

- Establishing technical standards and developing training resources for reviewing safe transactions effectively.

- Collaborating with the Grant Steward and Moderator during fortnightly coordination syncs.

- Supporting stewards in technical tasks, including reviewing milestones and offering technical guidance.

Grant Steward

The Grant Steward acts as the primary point of contact for assigned grantees and ensures grants are managed effectively. Responsibilities include:

- Liaising with grantees to clarify terms, expectations, and requirements post-approval.

- Monitoring and evaluating grant milestones and deliverables to ensure compliance with agreed terms, providing guidance to keep projects on track, and resolving challenges.

- Facilitating safe and timely execution of payments, including setting up monthly payouts on the Grants DAO Safe.

- Consolidating grantee updates and sharing insights with the Grants DAO and community via forum posts.

- Collaborating with other committee members to discuss project updates, evaluate the efficient use of the budget, and address any disputes or concerns raised by grantees, community members, or committee members.

- Coordinating with the designated Reviewer

(internal or external) for technical milestone reviews and addressing major roadblocks.

- Updating Forum, Forum maintenance and keeping publicly available information up to date for the Grantees (that are not reliant on the docs).

- Grant tracker overview

Grant Moderator

The Grant Moderator ensures operational efficiency and smooth grant review processes. Responsibilities include:

- Screening grant applications to remove spam and irrelevant submissions.
- Ensuring timely review of applications by the appropriate stakeholders.
- Monitoring communication channels to maintain order and transparency.
- Attending quarterly standardization meetings to align on best practices and processes.
- Reviewing and validating monthly payouts on the Grants DAO Safe.

Coordination and Meeting Cadence

- Fortnightly Syncs

: Technical Lead and Grant Stewards align on grant assessments, payments, and overall progress.

- Quarterly Meetings

: Moderators attend standardization sessions to ensure operational consistency.

- Meetings will be scheduled within UTC-2 to UTC+4 to accommodate participants.

Compensation

Base Pay and Additional Rewards

Role

Base Pay (USD)

Payment in $COW Tokens

Additional Rewards

Technical Lead

$3,000

Equivalent value in $COW tokens

Eligible for performance-based bonuses (peer-reviewed).

Grant Steward

$2,000

Equivalent value in $COW tokens

Eligible for performance-based bonuses (peer-reviewed).

Grant Moderator

$1,000

Equivalent value in $COW tokens

Eligible for performance-based bonuses (peer-reviewed).

Notes on Remuneration

1. Base Pay

: Fixed compensation for meeting core responsibilities.

1. Bonuses

: * Members may submit a self-assessment of exceptional contributions.

- Bonuses, capped at 1,500 xDAI per month, will be awarded quarterly after peer review.
- External reviewers may also be paid from the bonus budget.

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Adding or Removing Committee Members

Adding Members

To address technical gaps, the DAO has discretion to add up to two additional committee members through an on-chain vote. New members will be added to the multisig as signers.

Removing Members

Committee members may be removed via a snapshot vote if they fail to fulfill responsibilities, including attending calls, overseeing grants, or engaging in decision-making. A 4/5 quorum is required for such votes.

CoW DAO Termination

CoW DAO reserves the right to terminate and dissolve the Grants DAO with a 30-day notice period, following an on-chain vote conducted on the CoW DAO governance forum. In the event of such termination, all funds held by the CoW Grants DAO will be returned to the CoW DAO. Furthermore, the liability for any existing payouts to ongoing grantees will transfer to CoW DAO, which will assume responsibility for honoring these commitments.

Transparency and Accountability

For more information about grants, the following information are publicly available:

Grants Program Forum Section

Grant Status Tracker

Grants Program Snapshot Space

All votes are on Snapshot and serve as the ultimate source of information.

This CIP includes a suggestion for a revised Grant Template, available here separately on the Forum and part of this CIP and its governance process.

This CIP includes a suggestion for revised Grant Terms, available here separately on the Forum and part of this CIP and its governance process. If this CIP passes, future Grants are required to refer to these CoW DAO approved Terms.

CoW DAO will be the modular owner of all GrantsDAO Safes and obtains the right to withdraw funds as per above mentioned termination, and in case of extraordinary circumstances, with no notice.

Next to the possibility for the program to be terminated by CoW DAO, of course any renewal will include the success metrics of prior programs; if more funding is requested during the ongoing period, additional justification is provided.

Transaction Data

No transaction data is required.