Project Name

: MakerDAO

Author Name

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Number of OP tokens requested

: 500,000

L2 Recipient Address

: TBD

Relevant Usage Metrics

: (TVL, transactions, volume, unique addresses, etc.)

You can see an overview of MakerDAO's metrics at @SebVentures

's Dune here

Highlights

:

Currently, Maker has +6 billion Dai in circulation with +$8 billion of total value locked as collateral across hundreds of thousands of loans. MakerDAO is #1

in TVL on Mainnet and DAI is the most used stablecoin in terms of on-chain velocity

Since July 21', Dai is supported in the Optimism ecosystem through the Optimism official bridge. Dai is one of the most used stable-coins in Optimism with over ~$20M liquidity and it was the first stablecoin to reach 1M and 50M in TVL on Optimism.

Dai is supported across almost all the dApps in the Optimism ecosystem. For example, users could lend Dai in Aave v3, swap in Uniswap/Curve and leverage LPs positions into Arrakis Finance, to mention some use-cases.

USDC/DAI is the pair with the highest TVL across Uniswap and WETH/DAI has over ~$12M 7d volume, being this the 2º highest WETH pair with a stable-coin.

In Aave v3, Dai is the most lended stable-coin behind USDC with ~$1.1M.

Optimism alignment

(up to 200 word explanation):

At the end of July/August, Maker is planning to launch a fast-withdrawals bridge for Dai to allow users to withdraw Dai near-instant and skip the 7 days lockup period.

The Maker protocol is uniquely positioned to provide a solution to the 7 days period problem while preserving trustlessness and decentralization. The fast-withdrawal bridge will allow locking up L1 DAI to mint L2 DAI as well as allowing L2 DAI to be burned in exchange for near-instant access to L1 DAI.

This will attract a constant flow of users and liquidity towards Optimism since users will have the possibility to constantly move Dai between L1 and L2 instantly. The average user will not want to wait a week to get their assets into L1. The Optimism Dai Bridge can serve as the go-to service for exiting L2 in a timely manner.

Moreover and regarding Maker's Multichain Strategy, the Maker protocol is going to launch 'Maker Teleport' (previously Wormhole), a path for teletransporting Dai between supported Layer 2 and Ethereum.

As the Layer 2 ecosystem evolves and DAI liquidity grows within these domains, it will become important for users to be able to move DAI between them in a trustless manner. This initiative to Teleport Dai across Layer 2 ecosystems, starting with Optimism and Arbitrum, will become an integral feature of the fungibility of Layer 2 Dai.

The Optimism and MakerDAO communities have the same goal: to scale Ethereum. This is a game changer not only for Maker, but the Ethereum ecosystem at large as we can finally offer a fast, trustless, decentralized off-ramp for optimistic rollups.

Moving forwards, the launch of MCD in Optimism is targeted to be released on Q4 2022.

Proposal for token distribution

(under 1000 words):

How will the OP tokens be distributed?

As a full DAO, any distribution would need to be approved by MKR holders, but the team making this proposal (Maker Growth Core Unit) will be recommending the following:

- Once MCD is launched in Optimism (expected on Q4 2022), a great way to incentivize users to take a Dai loan will be to allocate OP rewards to Maker vaults.

- Incentivize LPs Dai pairs

How will this distribution incentivize usage and liquidity on Optimism?

- MakerDAO is a tier 1 protocol battle-tested and users will want to take advantage of it as it represents a safe place to put their crypto holdings to take a Dai loan and use it across the Optimism ecosystem.

Why will the incentivized users and liquidity remain after incentives dry up?

- Low transaction fees on Optimism will attract users who are price sensitive to using Maker Vaults on L1, bringing more liquidity and users to Optimism.

- Maker has never relied on rewards for usage and has consistently been a top ranked protocol by TVL over the years.

Over what period of time will the tokens be distributed?

- 6 months.

How much will your project match in co-incentives?

- Up to discussion within the Maker community (DAO).