

Hello Uniswap Community, we have formed a Working Group to assess the current landscape of Uniswap governance and delegate responsibilities, all to build the framework for a successful Delegate Reward Initiative. After over a month of research and response gathering, we are happy to share our findings.

The Working Group's tasks were split into three groups:

1. Stakeholder Interviews
2. Evaluating existing delegate composition, roles, contributions, and responsibilities
3. Conducting market research to determine best practice

Group 1 : Stakeholder Interviews

Aim:

Consolidate feedback from stakeholder interviews across Active, Small, and Inactive Delegates, Large Investors, and the Foundation regarding the proposal to introduce rewards for Uniswap delegates.

The primary goal was to evaluate the community's sentiment towards delegate rewards, understand the motivations of current delegates, and understand the goals that delegates and the broader stakeholder group hope to achieve with delegation writ large. The consensus points towards the need for a formal compensation scheme for delegates, though perspectives on implementation, oversight, and value vary.

Conclusion:

There was a general consensus across most categories that a compensation program for delegates could improve participation quality and dedication. However, the enthusiasm varied, with those deeply involved in governance showing the strongest support.

The interviews illustrated a variety of concerns and reservations about delegate compensation across different stakeholder groups, ranging from the potential for misaligned incentives to the practical challenges of implementing such systems.

The primary reasons for supporting compensation were to ensure active participation, professionalize the delegate role, and align delegates' activities with the strategic goals of the DAO.

Alternatives were also proposed, including defining better paid committees with discrete scopes and experimentation with futarchy and information markets.

In contrast, those less active or indirectly affected by governance outcomes, such as Liquidity Providers and Inactive Delegates, were less clear on the value and urgency of rewards, but recognized the potential benefits of incentivizing high-quality governance contributions.

Full research can be found here: <https://butterd.notion.site/Uniswap-Delegate-Rewards-Stakeholder-Interviews-2ff124cbfd4a4203ae4327f096bb1533>

Group 2 : Evaluating existing delegate composition, roles, contributions, and responsibilities

Aim:

Evaluate existing delegate composition, roles, contributions, and responsibilities via quantitative and qualitative analysis.

Conclusion:

Delegates help with the governance security. And their role has been becoming more important as the time goes, evidenced by the number of voters dropping but the voting power still being holding due to mostly delegates participating. Delegates contribute to discussions, voting, writing, reviewing proposals as well as participating in various working groups. Therefore, there's time and effort put in being a delegate in the DAO ecosystem.

Full research can be found here:

<https://docs.google.com/document/d/1ZAFCBSQP-VeqU-uo0mdyi7RgsbCsboN5GRp25GCoCRE/edit?usp=sharing>

Group 3: Conducting market research to determine best practice

Aim:

Evaluate other models for delegate compensation in the ecosystem to identify possible best practices for the Uniswap DAO to model. This approach aims to build on observed successes in protocols that have a similar mission and delegate profile to Uniswap, and ultimately save time while iterating on models that are already working.

We chose to explore the Maker DAO and AAVE delegate compensation programs. These were chosen because they both have a track record of observed success and the programs appeared to match the scale of participants that we believe a

Uniswap Delegate program would include.

In this report, we present a high-level overview of both programs followed by a conclusion that identifies components of each that we believe would be of value to a Uniswap delegate compensation program.

Conclusion:

a. Delegates' compensation should be based on their commitment to the protocol based on criteria that are specific, quantifiable, and objective.

b. Should include periodicity to remove stale delegates and add fresh delegates.

c. Compensation should include gas fee component

d. DAO's should assess their own unique needs

e. Limits should be set.

Full research can be found here:

<https://docs.google.com/document/d/1DCRQeDt3VJGDbcUWnxURMGiFRBC68SsBJGqhF864Cns/edit?usp=sharing>

Next Steps

-We will appreciate the community's feedback on those findings. We will potentially proceed to offchain votes.

-We will also soon be posting a RFC to compensate Uniswap Delegate Reward Working Group members for their time and effort so far and potential further contributions for a short term. It will be sent to Multisig held by the Accountability Committee, in which any leftover will be used for any future initiatives by the Accountability Committee. We hope for the community's support.

Once again, we want to thank the following members for their time and efforts:

[@noturhandle](#)

[@AbdullahUmar](#)

[@Bobbay](#)

[@Doo_StableLab](#)

[@coltron.eth](#)

[@Sinkas](#)

[@Juanbug](#)

Gab from [@she256](#)