

# Introducing Optimism Co-Granting

Based on feedback from builders and delegates, the Optimism Collective is piloting a new co-granting mechanism in Season 4!

## Token House Grants

The Token House launched last May and to date delegates have been allocating grants out of the Governance Fund. In total, the Token House has processed 155 grants and funded 48 grants. You can see a list of all these grants [here](#).

- Phase 0 grants were programmatically distributed, according to quantifiable criteria
- Season 1 & 2 grants were approved by all Token House delegates
- In Season 3, the grants program was managed by an elected [Grants Council](#). You can see Council Grants in [Cycle 10](#) and [Cycle 11](#)

Grants will continue to be made by the Grants Council in Season 4.

## Limited by Access to Upfront Capital

All builders grants made by the Token House are granted in the form of OP that is locked for a period of one year. This creates long-term incentive alignment between the grant recipient and the Collective, and helps reinforce OP's function as a governance token.

However, this situation creates barriers for teams that need immediate access to capital. If you're trying to make payroll, pay for infrastructure costs, or are dependent on grants to extend your team's runway, a grant of locked OP is insufficient. Some of the most promising grants (novel use cases) need access to upfront capital the most. In Season 3, we identified several promising builders in this category that were prevented from applying for Token House grants as a result.

## Co-match the Collective!

[Syndicate.io](#) is building a custom grant-matching contract so that you can support the work being done in the Token House and build an on-chain record of your contribution. Matching contracts allow co-granters to contribute USDC to a single contract to pro-rata "match" builders grants made by the Grants Council. Here's how it works:

1. Enter the amount you'd like to co-grant and submit your contribution. Your co-grant proceeds will flow directly to the matching contract. In Season 4, matching contract distributions will be executed according to the decisions of the Grants Council (if renewed.)
2. As the Grants Council makes grants, your co-grant will be similarly distributed until the matching contract runs out or until Season 4 ends on September 20th (tentative.)
3. You'll receive a co-grantor NFT and an Optimism Attestation to signify your support of the Collective as a Token House co-granter.

## Why should I match? Upfront Capital as a Public Good

The Token House plays a critical role in bootstrapping a profitable market for public goods. Token House grants provide certain, upfront funding while a reliable market for RetroPGF further develops in the Citizens' House. Together, the two houses of the Collective create a powerful flywheel, funding public goods that make Optimism blockspace more valuable, leading to more revenue for public goods, and so on. Co-granting is a unique opportunity to provide the upfront capital required to kickstart this flywheel.

Given the importance of this contribution to the development of the Collective, you will receive both a co-grantor NFT and Optimism Attestation, enabling your on-chain reputation to reflect your impact.

## FAQ

- Can I withdraw or edit the amount of my funds after they've been deposited?
- Not in Season 4.
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- What if the Grants Council is not renewed?
- Matching contracts will not go live before the vote to renew the Council has occurred.
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- What if there is funding left in the matching contract at the end of Season 4?
- If any funding remains in the matching contract at the end of Season 4, it will be sent back to the Governance Fund to fund grants made in future Seasons. You can think of your co-grant as a donation to the Governance Fund.
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- Can I contribute an asset other than USDC?
- Not in Season 4, but this capability may be added in the future.
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- Should I expect a return on the capital contributed?
- These are grants, not for-profit investments, so you should not expect a return on your grant.
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- How is the co-matching distributed to grant recipients?
- Co-grants will be distributed among approved builders grants in which applicants checked a box on the application form indicating the need for upfront USDC. Co-grants will be matched among these grants on a “pro-rata” basis based on the overall budget to be distributed as builders grants for Season 4 (3M OP.)
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