Proposal Name :

Funding Grant Proposals using Delegated Domain Allocation

Proposal Category :

Ecosystem Fund Allocation

Abstract

- We propose ApeCoin DAO fund a wide variety

of teams aligned with ApeCoin's roadmap with a budget of $1M spread across 2 quarters using Delegated Domain Capital Allocation Model. Questbook is leading [Compound](#) grants program through [Delegated Domain Capital Allocation Model](#), a community-run grants program

- We additionally propose that this budget be managed by 4

individuals called Domain Allocators - chosen from the community and by the community

. These domain allocators would manage grants for a domain

. These domains are strategic areas of focus for which ApeCoin DAO wants to disburse grants

- The performance of each of these domain allocators

will be publicly viewable and auditable using rich dashboards. At the end of the quarter, the ApeCoin community can vote to replace, continue domain allocators or increase budgets for each domain allocator.

- We ([Questbook.xyz](#)) will help facilitate setting up these domain allocators

and provide the tooling to run the program in an efficient and transparent way

. We have previously set up or currently setting up the grants process for Compound, Polygon, Solana, Celo, Aave, Perpetual, and IoTeX

Author Description

Ruchil was the program manager for Polygon facilitating the disbursal of ~ $1M in grants. He works with the Solana foundation and ecosystems within Solana on a daily basis to help them design their grants program and disburse grants to builders while maintaining a very low TAT. He has received a grant of $250K from the Solana foundation for the same. He works closely with Compound Grants Programs 2.0's Program Manager.

He is well-versed with the demands and needs that contribute to the success of a grants program. He has spoken to more than 100 builders and teams over the last 6-8 months and understands what it takes to make a grant program successful – from both program manager and builder perspectives. He is also an employee of Questbook and will not

personally receive any financial benefit from the revenue collected by Questbook through this proposal

Team Description

Questbook (Y Combinator-W21) is a decentralized grants orchestration tool used by some of the most reputed ecosystems such as Compound, Polygon, Aave, Celo, TON, Solana, IoTeX, Zebec, etc. Our team has a rich experience in building in Web 3.0 since 2016. Questbook's founders are among the first 5 contributors to Plasma (Ethereum scaling solution) specifications and are active contributors to open source development. They have previously worked at reputed organisations such as Meta, Google, Microsoft, and Intuit.

Questbook's Github : [Questbook · GitHub](#)

Motivation

As we continue to experience the depth of the bear market, it is increasingly important for ApeCoin to retain the mindshare of key ecosystem contributors and incentivise builders to build on top of it. Funding proposals through grants is a great way to attract high-quality builders and grow the ecosystem more quickly

. We propose that ApeCoin DAO use Delegated Domain Capital Allocation

model to to attract high-quality builders and accelerate its ecosystem growth. The Delegate Domain Allocation model is popularized by the Ethereum Foundation.

"We also believe that more decentralized funding is important for the future of the Ethereum ecosystem. We continuously try to allocate resources to third parties that we believe can make better decisions than us within certain domains." -

Executive Director Ethereum Foundation [link]

Each domain allocator

will run their domain on-chain for full transparency using Questbook. The data and performance across key metrics will be visible to the community

in order to evaluate the domain allocator's performance.

[

Grants Program Statistics

4320×2400 202 KB

](https://global.discourse-cdn.com/apecoin/original/2X/7/798ece6401162eff0b11dfe0b484862424b5e418.png)

This proposal details the benefit to all the stakeholders involved - token holders, builders and DAO members.

Benefits to ApeCoin DAO

(Rationale)

1. Aligned allocation of funds:

By leveraging the Delegated Domain Allocator (DDA) model, the ApeCoin DAO can ensure that funds are allocated to projects that align with the domain (key areas selected by the ApeCoin DAO community), promoting efficient and effective use of resources. This approach aligns with ApeCoin DAO's goal of enabling the distribution of $APE to empower the community to build and participate in the future of the Greater Metaverse.

1. Increased transparency:

The Delegated Domain Allocator approach provides a clear and transparent process for allocating funds, ensuring stakeholders understand the decision-making process and building community confidence. Questbook, a decentralized grant management platform, provides a transparent space for teams to showcase their backgrounds and experience. In addition, Questbook's reporting features will allow the ApeCoin DAO to quickly generate monthly reports on the allocation of funds, with the details for each grant proposal.

1. Increased accountability:

With a dedicated group of stakeholders responsible for allocating funds, the Delegated Domain Allocator approach promotes increased accountability, ensuring that the funds are used effectively and efficiently. Domain allocators can be replaced through a community vote if their performance is not up to the standards accepted by the community.

1. Pseudonymity / Anonymity:

Builders can use Questbook and apply for funding without doxxing themselves. Questbook provides a transparent space for teams to showcase their backgrounds and experience, fulfilling the proposal's requirement for team member descriptions.

1. Turnaround Time (TAT):

The Delegated Domain Allocator model will help significantly improve proposals' turnaround time and overall outcomes for the ecosystem. An example of this is Compound who's already leveraging the DDA model and has a communication TAT of less than 48 hours

1. Increase in the number of high quality proposals :

While we recognize that the ApeCoin DAO has dedicated its entire treasury to support proposals that advance its mission, we are concerned about the underutilisation of reserved funds and the dearth of high-quality proposals

. Comparatively, Aave receives more than 50 proposals per month and Nouns receives over 100 proposals per month across different funding formats. Without investing in resourcing and scaling high quality proposals, we believe that the ApeCoin DAO risks falling behind and losing its competitive edge. Delegated Domain Capital Allocation Model and Questbook's organic builder traffic of 20,000+ builders/month will enable the ApeCoin DAO to source and fund significantly greater number of high quality proposals in a transparent manner.

More specifically, the Delegated Domain Capital Allocation model aims to address the following challenges:

1. Addressing Blind Spots:

It is unrealistic to assume that every community member or one individual possesses expertise across all domains. Evaluating projects outside of one's area of expertise can be challenging and inefficient, potentially resulting in missed opportunities for valuable contributions to the ApeCoin ecosystem. By delegating capital and decision-making to people who are experts and who are closely involved in that domain, ApeCoin DAO will be able to find and fund projects that align with the mission of the ApeCoin DAO, while also addressing any blind spots.

1. Addressing Voter Fatigue:

We believe that not every grant proposal needs to go through an AIP process for receiving grant funding. Requiring every proposal to be voted on by the entire community can result in voter fatigue and low participation. By funding proposals through delegated domain capital allocation model, domain allocators can set maximum thresholds for accepting proposals within their respective domains. Proposals that fall below the threshold can be approved directly by domain allocators, reducing the burden on the community while reserving the AIP process for proposals that exceed the threshold and require broader community input.

1. Addressing Inadequate Review Process and Tooling

: Lack of evaluation rubrics and domain-specific evaluation criteria can result in an inconsistent and subjective review process, potentially leading to suboptimal proposals getting funded. Each domain allocator in the delegated domain capital allocation model will be required to specify domain specific evaluation rubrics to ensure alignment with ApeCoin DAO's roadmap and funding of high quality proposals. With Questbook, members of the community can easily access and view the scores assigned to a proposal by the domain allocator, based on their domain-specific rubric as mentioned below.

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Evaluation Rubrics CGP 2.0

858×944 141 KB

](https://global.discourse-cdn.com/apecoin/original/2X/a/a0491bfc580e688c7de46fba5137f354995e298b.png)

Specifications

The program structure focuses on having community members as domain allocators. ApeCoin DAO will be required to set an overall budget of $1M to be disbursed by the domain allocators across two quarters. Each domain Allocator will run their domain on-chain for full transparency, and the community members can track their performance.

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Grants Program Statistics

4320×2400 202 KB

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- Each domain allocator will run the domain in a transparent manner using Questbook. Questbook is a decentralized grant orchestration tool, currently being used by Compound, Polygon, AAVE, Celo, Solana and TON Ecosystem

Product Screens

Invite proposals

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Invite Proposals

1920×972 64 KB

](https://global.discourse-cdn.com/apecoin/original/2X/4/42a20138857e02528ee23347f21ef6adf1161654.png)

Anyone from the community can view and comment on the proposals

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View and comment on the proposal

1734×754 42.7 KB

](https://global.discourse-cdn.com/apecoin/original/2X/0/051f8af58987b7a268cfaf232077becd10c06c2b.png)

Invite community members to review proposals based on an evaluation rubric

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Review proposals based on an evaluation rubric

1920×1067 122 KB

](https://global.discourse-cdn.com/apecoin/original/2X/b/b910978fd0c35f6f2317de9881f19530fab35699.jpeg)

Make milestone-based payouts directly from the multi-sig

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Make Milestone Based Payouts

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Track the performance of domain allocators

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Grants Program Statistics

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- Multi - Sig Wallet
- The disbursement of the grant will take place on-chain through a multi-sig wallet for each domain controlled by the program manager & the domain allocator

Steps to Implement

The disbursement of the grant will take place on-chain through a multi-sig wallet for each domain controlled by the program manager & the domain allocator. The domain allocators will approve or reject proposals based on their evaluation rubric. The program manager will then coordinate with the community to ensure that the proposal aligns with ApeCoin DAO's values and areas of focus before making the disbursal. The multi-sig's sole purpose is to ensure capital is not siphoned. However, the allocators are encouraged to make independent decisions regarding the approval of the proposal based on their expertise.

The grants committee and the ApeCoin DAO community shall evaluate each domain's and domain allocator's performance using publicly available data every quarter. The outcomes could be as follows:

- Change the domain
- Change the allocator/program manager
- Change the budget

Active community members can initiate a no-confidence motion to begin a review off-cycle. The program manager can coordinate this if the situation arises. The unused funds from every domain will be returned to the treasury at the end of 2 quarters.

DDA Grants Committee

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Delegated Domain Allocation Model

2412×1048 156 KB

](https://global.discourse-cdn.com/apecoin/original/2X/b/b7068dc86ea2e72b5a570ff2b625d7271cf880b1.png)

The program will consist of

1. A Program Manager
2. 4 Domain Allocators

A Grants SAFE, with 3/5 multi-sig, between the program manager and 4 domain allocators will be setup. We will then have 4

SAFEs for each of the domains with a 2/2 between the program manager and the specific domain allocator.

The funds for the grants program will flow from the treasury into the Grants SAFE. This SAFE will hold the funds related to operational costs, committee compensation, and the grants budget. Funds that will be disbursed to the proposers will reside in the domain-level SAFEs. The program manager will be responsible to update the community about approved proposals and their details through bi-weekly community calls and reports over discord.

After [this AIP](#) is successfully approved by the community, Questbook will assume custody of the funds, and will be responsible for ensuring both security and transparency. This will be achieved by establishing an interim SAFE, which will be setup by Questbook. To ensure transparency and accountability, we will share the addresses of each SAFE with the community. A similar setup can be seen [here](#) as in the case of [Compound Grants Program 2.0](#).

After conducting a thorough research (going through [past funding allocations](#), [Apecoin foundation's transparency report](#) and [recent Working Group Twitter's spaces](#)) and gathering feedback from key contributors in the ecosystem, we have identified the following domains that are crucial to maximize growth opportunities for ApeCoin DAO. When finalizing these domains, we have ensured that they align with ApeCoin DAO's goals and cover its broader mission, while avoiding any redundancy

.

Domains

Domain

Why it is relevant?

Examples of Existing Proposals from ApeCoin Discourse

Game Development

This will help ApeCoin DAO bring unique gaming experiences to the community, drive community engagement, and contribute to the growth and sustainability of the APE ecosystem.

[AIP-78: Ape Worlds - Create Ape-themed games on the blockchain, no code required](#) [AIP-179: NFTCG Generation 2 - ApeCoin DAO Physical & Digital Trading Card Game](#)

Community Growth and Events

This will help ApeCoin DAO promote its values , culture and initiatives across different ecosystems and attract quality contributors

[AIP-64: APE Coin Festival - Bringing NFT Communities Together](#), [AIP-112: Forever Apes, free luxury physicals for all $APE holders](#), [AIP-226: ApeCoinIRL - Decentralised Events Network](#)

Security and Tooling

This will enable ApeCoin community to proactively identify, mitigate, and manage risks and build necessary tools, applications to grow the APE ecosystem.

[AIP-9: Boring Security - Ecosystem Fund Allocation](#), [AIP-134: Bug Bounty Program for AIP-21](#), [AIP-212: Forever Apes // Upgrade #7 // Enable Shopify to display $APE in eComm stores](#)

Education and content for new user onboarding

This will help ApeCoin increase its adoption, and empower new members to actively participate , and meaningfully contribute to the DAO.

[AIP-66: ApeCoin Newsletter - Ecosystem Fund Allocation](#) [AIP-70: Bored Ape Gazette: Ape Coin Media/ BAYC News - Ecosystem Fund Allocation](#), [AIP-104: Bringing Web3 to Educators & Schools](#)

Interested community members will be required to self-nominate themselves and specify their domain of interest after this AIP is successfully passed through a community wide vote. They must also provide details related to their relevant experience, domain specific rubrics, time commitment, and expected communication TAT with builders for their domain with the ApeCoin DAO community. All domain allocators will be chosen from within the ApeCoin community by the ApeCoin DAO community

members through a community vote. Questbook will help facilitate the selection of domain allocators.

Domain Allocator Roles & Responsibilities

The following will be the roles and responsibilities of the selected domain allocators and the program manager.

1. Program Manager:

2. Communication:

3. Coordinate between ApeCoin Council, treasury Working Group and the ApeCoin community regarding funding requirements

   1. Communicate the information regarding approval/rejection of proposals to the ApeCoin community regularly

   1. Ensure a 48 hours turnaround time for communicating with all proposers

   2. Attend community calls, actively participate in the community forum, and keep the community updated and take their feedback on the program

   1. Regularly update the progress of the grants program to the ApeCoin community bi-weekly over Discord and community calls

   1. Grants Program:

   2. Source good-quality proposals from developer communities

   3. Sign the transactions for the approved projects

   4. Ensure a quick turnaround time for proposers regarding their proposal decision

   5. Coordinate between the domain allocators to ensure that the workload is evenly distributed and take their feedback consistently

   1. Domain Allocator:

   2. Reject/Approve proposals and coordinate consistently with the program manager

   3. Source proposals by reaching out to relevant communities in their network

   4. Discuss program improvements with the other domain allocators and program manager during scheduled meeting

   5. Review proposals received for their domains based on the rubrics set by them in a format similar to as follows:

   6. Reject/Approve proposals and coordinate consistently with the program manager

   7. Source proposals by reaching out to relevant communities in their network

8. Discuss program improvements with the other domain allocators and program manager during scheduled meeting

9. Review proposals received for their domains based on the rubrics set by them in a format similar to as follows:

Evaluation Rubrics

Score

0

1

2

3

4

Team

Reach

No project developer team. No developer attraction.

No dev team. Small attraction plan (1 to 5 devs).

Yes team dev.

Yes team dev. Small attraction plan (1 to 5 more devs).

Yes team dev. Big attraction plan (+5 more devs).

Team

Commitment

No commitment attraction

Mercenary commitment attraction (stays until benefits end)

Commitment attraction (1 to 3 months)

Commitment attraction (1 year)

Commitment attraction (3 year)

Team

Quality

Project does not have a reasonable chance to attract high-quality devs

Project has a possibility of attracting high-quality devs

Project has a reasonable possibility of attracting high-quality devs and/or has high-quality devs

Project is likely to attract high-quality devs

Project is highly likely to attract high-quality devs

Likelihood of success

Clear flaw in design that cannot be easily remedied

Difficult to see the project continuing for more than a year

Reasonable chance that the project has intermediate-to-long-term success (+1 Year)

Project is likely to generate long-term, sustainable value for the ecosystem

Project has substantial likelihood to generate long-term, sustainable value for the ecosystem

Grant size

Grant size significantly outweighs projected benefit

Grant size is considerably larger than expected benefit

Grant size is proportional to expected benefit

Expected benefit outweighs grant size

Expected benefit meaningfully exceeds grant size

Team assessment

Team does not substantiate ability to deliver on plan

Team does not show significant ability to deliver on plan

Team shows reasonable ability to deliver on plan

Team shows significant ability to deliver on plan

Team exceeds what is required to deliver on plan

Milestone Assessment

Milestones do not significantly hold proposer accountable

Milestones are unlikely to hold proposer accountable

Milestones are reasonably likely to hold proposer accountable

Milestones are significantly likely to hold proposer accountable

Milestones are very likely to hold proposer accountable

Demo included (binary yes/no)

No demo included

Demo included

Score

-2

-1

0

1

2

Discretionary Factors (comment required)**

Timeline

The timeline for the implementation of this proposal is as follows:

1. May/June :

Election of the domain allocators through a self nomination process where interested community members will be required to specify their domain of interest along with the details related to their relevant experience, domain specific rubrics, time commitment, expected communication TAT with builders and any conflict of interest with respect to their domain. Interested community members must submit their nomination within a week, following which each nominee will be presented as a choice in the Snapshot vote. The vote will be made available during the Weekly AIP Release and will conclude at the next Weekly Voting Close. Questbook will help facilitate setting up these domain allocators.

1. June/July :

Setting up 4 multi sig SAFEs for each domain with a 2/2 between the Program Manager and the Selected Domain Allocator.

1. July :

Setting up 4 domains and adding selected domain allocators as admins on Questbook.Announcing the launch of the program

1. August :

First community update and monthly report shared by the Program Manager with the ApeCoin DAO community over a community call and Discourse

Compensation (Overall Cost):

ApeCoin DAO will be required to set aside an overall budget of $1M to be disbursed by the elected domain allocators to fund a wide variety of teams aligned with ApeCoin's roadmap across two quarters. The compensation for Domain Allocators and Program Managers has been factored into this overall proposed budget. Please find below its details:

1. Program Manager

: $100/hour (est. $24K per quarter at 20 hours per week)

1. A Domain Allocator :

$80/hour (est. $14.4K per quarter at 15 hours/week per domain allocator)

The proposed compensation is based on the valuable feedback given by the ApeCoin community members, community poll and our ongoing engagement with Compound. It is competitive with some of the best-run grants program and community initiatives of ecosystems such as [Compound](#), [Uniswap](#), [Nouns DAO](#), [ApeCoin DAO Working Group](#) and [Aave](#). Based on our experience after working with multiple reputed ecosystems, a domain may receive more than 20 quality proposals per month. To effectively support and fund exceptional teams, domain allocators will need to invest significant time in activities such as marketing, project research, calls with proposers, preparing reviews, exchanging info/feedback with other DAs, tracking teams' progress, and coordinating milestone based payouts. These activities demand significant expertise and time commitment.

It is crucial for ApeCoin DAO to attract top talent for the role of domain allocator to ensure that exceptional projects are funded.

1. Questbook :

3% of all disbursals made through Questbook as product fee

Our approach of charging a percentage of the grants disbursed is designed to align our incentives with delivering value as against product usage. Funding a project signifies that the ecosystem has identified a project worth investing in, which further indicates that various steps in the funding process, such as attracting quality builders, establishing evaluation rubrics, and ensuring successful milestone-based payouts, have been executed effectively by the domain allocators. Our intention is to charge based on the successful completion of all these steps, rather than just product usage, to align our pricing with the value delivered through the entire grant disbursal cycle.

The domain allocators and program manager will be required to track their hours and provide weekly reports that will be accessible to the community. If the domain allocators have clocked fewer hours than estimated, the total spend will be lower than the proposed spend. If there are fewer grant requests or smaller grant amount requests for a particular domain, the unused fund from every domain

will be returned back to the treasury after two quarters. For instance,[in the case of CGP 2.0](#), not all domain allocators spent an equal amount of time reviewing and funding proposals for their respective domains. Some domain allocators spent comparatively less time than the budgeted 15hrs/week due to the time required to review proposals and the volume of proposals received within their domain.

The proposed budget represents the maximum

amount needed to ensure the success of the program and to avoid the need for frequent community ratification for budgets

for the proposed funding model. It does not guarantee that all the proposed expenses will be incurred. The unused fund from every domain will be returned back to the treasury after two quarters

. Moreover, the proposed spend per quarter is expected to remain constant for the proposed budget/quarter and is not expected to increase every quarter.

Conclusion

What Does Success Look Like?

KPIs

Objective:

- The prime objective of this model is to have domains that align with ApeCoin DAO's priorities. This way, the project's contribution to the program directly adds value to the DAO and the token holders.

- Increase in the number of contributors, proposals, and funded projects

- Increase in the homegrown leadership to run grant programs (measured by the number of people running grant programs)

- Increase in the community members' participation to keep domain allocators and program manager accountable (measured by the number of people looking at the dashboard and participating in the program)

- Diversity in projects being funded across technologies, geographies, and demographics, to name a few. We encourage the community members to review the proposals across different domains during ApeCoin DAO community calls regularly

- Increased engagement in builder community's

- Discourse

- Discord, Telegram

- Social media (Twitter, Reddit)

- GitHub

- Discourse

- Discord, Telegram

- Social media (Twitter, Reddit)

- GitHub

Subjective

:

- Improved community involvement in the grants program

- Strengthened contributors' sentiment toward ApeCoin DAO

- Enhanced ApeCoin DAO brand recognition in builder circles

About Questbook:

Details and First Program Manager

- Questbook (YC-W21) is a decentralized grant orchestration tool, currently being used by Compound, Polygon, AAVE, Celo & Solana Ecosystem

- [Ruchil Sharma](#) from Questbook will be the first program manager. Thereafter, the program manager will be elected from the community.

Ruchil was the program manager for Polygon facilitating the disbursal of ~ $1M in grants. He works with the Solana foundation and ecosystems within Solana on a daily basis to help them design their grants program. He has received a grant of $250K from the Solana foundation for the same. He also works closely with Compound Grants Programs 2.0's program manager. He has spoken to more than 100 builders and teams over the last 6-8 months and understands what it takes to make a grant program successful – from both program manager and builder perspectives. He will be actively working with the domain allocators and tracking [key metrics detailed in the proposal.](#)

- Questbook Grants tool will make sure the workflows are systematic and transparent.

Product Flows

1. Posting a grant - [Link](#)

2. Reviewing and Funding Proposals - [Link](#)

3. Settings - [Link](#)

4. Communicating with Builders - [Link](#)

5. Funding Builders - [Link](#)

DDA Case Study: Compound Grant Program 2.0

CGP 1.0 concluded in September 2021. [But, CGP 2.0 was delayed due to issues in the grant management](#) flow and operations. Questbook worked with the Compound team and community to relaunch [Compound Grants Program](#). We received considerable [support from the community](#). We also adapted the tool to ensure that CGP 2.0 can work with the [DDA model.](#)

The community's demands for increased transparency are also now met owing to the tool. We expect the selected domain allocators to [disburse $1M through the tool](#) over the next six months.

[

CGP 2.0

1920×917 42.3 KB

](https://global.discourse-cdn.com/apecoin/original/2X/4/44235896cbe85a1ebd9bbc0aab890e9212bac1cf.jpeg)

Our Usage Metrics

- 20K+ MAU.

- Grant managers have reviewed, accepted, and facilitated grants worth $2.1M.

- 1500+ proposal submissions from high-quality builders

Project links

- dApp: www.questbook.app

- GitHub: [Questbook · GitHub](#)

- Twitter: https://twitter.com/questbookapp

- Product Wiki: https://questbook.notion.site/Product-Wiki-for-Grant-Programs-1d43dd8af8ee4d6181e1d51a285bf226

Next Steps

We believe that the Delegated Domain Allocator model, offered by Questbook, will be a highly effective solution that aligns with the ApeCoin community's values of transparency, decentralization, and accountability.

We welcome any comments on our proposal from the Apecoin DAO community and would love to seek suggestions/answer any questions.