Vp Grant Proposal

"Let's extract maximum value from what today is a conflict"

Following the approval of the inclusion of the self-delegation in the proposals, I will bring something that I have already mentioned:

Protocols self-delegating token $Op is not only important, but key to the ecosystem; since they are an impact piece for Optimism, this will also add decentralization and diversity to governance.

In this proposal, I will refer to the self-delegation "being subsidized by Optimism":

The last thread dealing with this subject left this decision in the hands of the delegates.

Proposal:

My point: If we are going to accept proposals requesting voting power grants for the protocols, this should be accompanied by a "Vp Grant Proposal"

which accurately details all aspects relevant to the use of $OP for this initiative, including the causes for which they want to participate.

Although this will be left to the decision of each delegate, the protocol must show complete transparency and it will be key to present genuine partnership ideas that generate growth on Optimism.

Some aspects to include should be:

1. *I request tokens or only vp delegation (vp right, but the OF is the one who has the $Op)

2. *Quantity:

3. *Use: pretend to have the right to delegate to a third party during a phase / $Op will be able to move in search of performance

4. *Term: It will be in perpetuity / the next season will be voted on again / it is linked to a described event that does not have a certain date

5. *Additional contributions to Optimism: here creativity will be key (and necessary)

Some thoughts on the last item:

- *Do a daoxdao swap, linking your governance commitment to an initiative on your protocol; must indicate all aspects and rights, duties and responsibilities of both parties

- *The request will only be forvp: in this way the protocol will delegate x amount of its own tokens to Optimism, and will request to Optimism the delegation of x amount of $Op; the parties will not have the tokens, only their voting rights

It is possible that some initiatives generate extrinsic benefits, such as bribes

or emissions per stake

for Optimism, the protocols may also define the use of these rewards; free use, repurchase of the protocol token, repurchase and burning of $op, setting up a fund for public goods of a specific profile; or any other use can be part of the proposal.

For the committees/delegates it will be one more proposal to analyze; where we must interpret if the protocol offers to provide a coherent value compared to what it is requesting to self-delegate, where we see synergy of joint growth with Optimism and transparency, although we must be cautious with the freedoms that we allow.

Conclusión

This could mark a milestone in linking a chain with its ecosystem; turning Optimism into a hub for partnerships representing the protocols; can bring diverse and creative possibilities

1.
    - On the Optimism side:

2. On the Optimism side:

3. Get involved in the proposals of the protocols that make up your ecosystem

4. Additional sources of income based on stake + brives

5. Creation of a diversified treasury

6.
   ◦ On the protocol side:

Each one will mark their rules in the proposal, whereby the potential could be interesting, giving freedoms, requesting rights and responsibilities according to the strategy of each one, we hope to see a binding and ingenious potential

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- We may see proposals that make Optimism staker and delegate

- Gain participation in governance

I see this as a key step for Optimism, where genuine linkages generate empowerment of both protocols, it will be key that your analysis is done with awareness.

We hope to see creativity and innovation; and I encourage both delegates and committees to reject any vague proposal that leaves information gaps or that does not provide real value.

Regarding Optimism, it must be defined how delegated governance decisions will be addressed; and perhaps even think, if this were successful in a treasury management for the assets that allow it, although it seems that I am already going too far, it seems important to me to propose a complete scenario, and obviously, optimistic.

Cases of Auto Delegation previously discussed:

07/12

[I want to discuss project boosting their delegate power with governance fund](/c/monitoring/62)[Monitoring

](/c/monitoring/62)

This is not a proposal or even an idea for something. I want to hear your opinion on project(s) using token allocated to their project to boost their delegate voting power. In GF Phase 0, top three project got 21M OP(9 + 9 + 3) token and if they choose to delegate those token to themselves, it will lead to centralization in DAO which will hurt us all and might cause bias in DAO which is even bigger problem. Maximum number of voting we have seen so far was in GF Phase 0 when we saw 20M votes. …

OpUser brings us what I think was the first proposal on "Self-delegation" showing us his fear that this will centralize the Optimism government, empowering with great vp those protocols that make use of their $Op for this purpose.

Interesting discussion ending with the proposal for [Update of the PHASE 1 protocol nomination template](#)

07/13

[[DRAFT] [GF: META] Proposal to reserve a share of GF distribution for liquidity backstopping and stronger governance](/c/other-proposals/47)
[Other Proposals

](/c/other-proposals/47)

The Commons: shoring up OP's liquidity, governance, and funding capacity Hi, I'm Jack from Velodrome, a leading Optimism dex that recently received a 3mm OP grant from OP Labs, a close collaborator in the build of our protocol. We've mostly been heads down building and showing up in partner discords, and we're looking forward to participating more in OP governance. Consider this our first effort in earnest to engage, following some observations we've made.

OP grants to date are meeting some c…

Jack refers to his concern regarding the possible dilution of $Op due to the dumping that distribution brings; find solution by giving $Op the role of liquidity hub, which would match native Optimism tokens.

Jack proposes to reserve part of the $op to be distributed to make an lp with the native token of the protocol; Although it appears to be property of the protocol, advancing in the proposal refers to the fact that Optimism may have voting power due to these protocol tokens; the proposal was unsuccessful

08/26

[Another case of self-delegation of OP tokens received in grants](/c/monitoring/62)[Monitoring

](/c/monitoring/62)

Antecedents One debate that has been ongoing since the beginning of this governance is the use of tokens allocated in project grants to increase the voting power of their delegates. The first to speak on this topic was @OPUser when @tongnk, of Perpetual Protocol, self-delegated the 9M OP tokens he had received in Phase 1. You can read the full thread here, "I want to discuss the project driving its proxy power with the governance fund." For the sake of governance and after intense debate, P…

Axl summarizes the perpetual protocol case, the first case of delegation proceedings that he later ended up revoking without generating an impact on governance

Then it indicates a discovery of new Synthetix self-delegation, which would have no effect on voting but shows us the chronology of given events inviting the community to stay tuned for these movements.

09/28

Let's settle once and for all the question of grantees self-delegating[Monitoring

](/c/monitoring/62)

Reading through a few of these proposals, I've seen some start to move toward self-delegation, which is causing some confusion we should address. I believe consensus is that self-delegation (when specifically included) is a valid ask, and yet some delegates are claiming that self-delegating is a blanket no and outright discouraging any self-delegation. This is a tough one because it's not like liquidity mining, for which we try to give rough value judgements because we'd rather not rely on too…

Jack describes in this thread the need for him to solve with clear rules; since it seemed to be valid as long as it was indicated in the proposal; but even so there were disagreements when this was specified; Jck reference "If we think they are allowed, we should be more direct and maybe even include a field in the template."

The thread develops very interesting, with the main focus being on the description of self-delegation in proposals, and culminating with Lavande indicating an update to the "grant proposal template" to clarify more.

08/05

Grant Proposal Template [OLD] [Policies and Templates

](/c/policies-and-important-documents/49)

To apply for a grant through the Grants Council, please gohere Phase 1 Proposal Template v2 All Governance Fund grant proposals will be processed by a Grants Council in Season 3. Please submit your application to the Grants Council here following the process outlined here.

ALL CYCLE 11 GRANT PROPOSALS SHOULD USE THE UPDATED TEMPLATEHERE.

Key information about Governance Fund grants 5.4% of the total initial token supply (231,928,234 OP) will be distributed to Optimism projects and commu…

Ben-chain brings us a proposal template; and at the end add:

"The expectation is that token grants will not be self-delegated for use in governance. The main objective of these token grants is to incentivize sustainable use and growth of the ecosystem of optimism. Consequently, for partners interested in increasing their voting power, the preferred route is to encourage users to delegate their rewards to their government representatives. There is no hard restriction on self-delegation, but if you plan to delegate some or all of your grant tokens to your own protocol, or a closely affiliated party, this should be made clear in your grant proposal along with your reasoning."

11/08

[DRAFT PROPOSAL]: Protocol Delegation Program [Reflection Period Proposal

](/c/other-proposals/reflection-period-proposal/59)

Please read Guide to Season 3: Course Correcting for full context before reading this proposal. The Protocol Delegation Program will be voted on by the Token House in Special Voting Cycle #9a. Protocols building on Optimism are among its most important stakeholders and they value having a voice in the development of this ecosystem. Throughout Season 1 & 2, protocols have repeatedly expressed this interest by requesting that they be able to self-delegate grants as an means to participate in Tok…

Optimism brought us a new protocol delegation proposal

Tl,dr:

They would delegate 5M (or no more than 1/3 of the active voting supply) of $OP, from the Governance Fund; to 20 protocols, based on rates generated in Optimism during the previous season; with limitations to 2M of total vp per protocol;

for two seasons; only those who maintain a vote participation rate >70% will be eligible for renewal

Final conclusion:

This puts "Self-delegation" as one of the hottest topics, added to two narratives that have echoed in this instance of governance

1. Few users interested in governance

2. Certain "toxicity" due to the lack of agreements

The set of these factors motivated me to develop this proposal, "Let's extract maximum value from what is now a conflict"

Although the main focus is the Self-delegation; this will reduce friction by removing some of the governance conflicts.

The last threads referring to governance have shown the frustration regarding attracting new stakeholders, being a key aspect for decentralization and the diversity of the ecosystem; as a collateral aspect, but not less important, I believe that this strategy will be an efficient way of dealing with this situation; If the synergy of the entire ecosystem is achieved, it could help to see the governance of Optimism as a core of the ecosystem and not something isolated to what happens in the protocols; eliminating the idea of individual benefit, setting the common goal as standard; we can see participation of new users and definitely more interest of protocols, turned into a kind of "partner".

I look forward to valuable feedback so that we can resolve this and put the focus back on building and growing.

I want to thank some friends who helped me with this, @fsgoifo

@AxlVaz @OPUser @Joxes @Netrim