

I propose to set apart a % of LDO to incentivize stETH/ETH LP providers on Uniswap. Currently, LPs are providing liquidity for stETH, while incurring a significant risk of IL, and for little rewards as the LP fees are rather low.

One idea for a sustainable liquidity mining program would be to assign LDO rewards based on the lock duration of the LP tokens (i.e. if I lock my stETH/ETH LP tokens for 1 year, then rewards should be higher than locking for 1 week). A simple farm contract could be created for this (happy to help).

This would further incentivize liquidity on the stETH/ETH pair, until a point in time where Curve might accept it.