

## Proposal Name

ApeCoin Innovation Fund

## Proposal Category

Ecosystem Fund Allocation

## Abstract

This AIP serves to create an innovation fund for buildoors and small to medium sized projects building within the ApeCoin community, current and future projects included.

The aim is to streamline innovation funding and remove bottlenecks within the ApeCoin DAO AIP process for smaller projects within first 12 months of development life cycle.

Nurture new ideas and projects coming from various initiatives like ThankApe and EthGlobal - Refer to [AIP 230](#) by [@maariab](#)

Create a central hub for projects to share knowledge, resources and foster a supportive environment of growth and collaboration.

The fund itself should be managed by the APE Foundation. The monthly staking rewards should be paid out for the core team to utilise for expenses and project funds.

In the spirit of web3 and the DAO, the core innovation team should be chosen by vote every 12 months like the Special Council or Steward Roles.

## Author

@WebMoss

Software Engineer -13 Years

Web3 Hacker EthGlobal - 4 years

Volunteer EthGlobal ETH Cape Town 2019

EthGlobal Accomplishments:

ApeCoin Prize Winner (AIP 243 - The Ape Inn)

Filecoin Prize Winner (Datahaus / Mojo Music)

Tableland Pilot Program (Mojo Dynamic Music NFT)

Mint Tea - 1st Place deBridge (NFT Bridge)

## Motivation

1. The AIP process kills innovation before it can begin.
2. You need to engage too many third parties to have an AIP pass. This requires major effort, time, marketing skills, budget and luck. High failure rate due to these factors.
3. Projects come in all shapes and sizes and there is no support network or funding outside of the AIP process for buildoors and projects just starting up. Yes, small projects matter, one ant alone can do nothing, 1000 working together can move mountains.
4. Existing and established projects have still not received funding and create for the ecosystem out of love, but also out of pocket which is dangerous, they get despondent, burnt out and may stop providing a valuable product or service. This is not the way.
5. Building and working in silos is not collaborative.

Good ideas can be shared which adds value, for example the current issue whereby the sale of staked Apes results in losses. A solution could be shared and implemented in our ecosystem to eliminate or at very least help prevent losses for Ape holders.

1. Too soon... projects submit bad AIPs in a rush to get funding, this can cause additional admin overhead or AIPs must be revised in order to get passed causing additional admin, slows down innovation and the building process.
2. No legal or regulatory advise given before AIP submission which is a big issue. Builders are not lawyers, AIPs go up

that present legal challenges to the DAO, SC and the ApeCoin foundation.

3. Aligns projects with ApeCoin brand guidelines and ApeCoin DAO goals and mission. This will also help prevent duplicates and copy pasta culture.
4. Ensures a better quality product in the end, which in turn provides better security. Example implementation of warm.xyz in projects as best practice. Lets ensure we keep our Apes Safe as Houses.
5. Utilises resources like ApeComms and other media channels to promote our ecosystem projects. This is a double win, it gives great exposure for new projects, and provides content for media channels to put out there and be first to broadcast the alpha vibes.

\*

Developers are not marketing specialists and often very shy, or don't speak English as first language or live outside optimum timezones so miss out on valuable opportunities to shine like a diamond

Rationale

This proposal aligns 100% with guiding values

"The DAO follows a proposal process to vote on how the Ecosystem Fund will be distributed by the APE Foundation to promote a diverse and self-sustaining ecosystem." - [apecoin.com](https://apecoin.com)

If you build it, they will come... we need to build that self-sustaining ecosystem and nurture it.

Benefit to ApeCoin Ecosystem

Creates a funding mechanism for innovation and building that offers no risk to the ApeCoin DAO and community.

Funds don't leave the DAO, they are staked and managed by the DAO, only staking rewards are utilised for the innovation fund.

Facilitates the onboarding of new developers and projects entering the ApeCoin DAO wishing to receive smaller funding grants to build out their ideas, MVP or project

Ensures the alignment of new projects entering the ApeCoin ecosystem with the ApeCoin DAO goals and mission.

Creates a launchpad for projects to prepare for the next phase, which should be submission of AIP for final funding stage.

Help projects prepare and submit a polished AIP. Improves chances of success.

Allows projects to utilise Apes within the innovation fund for IP, marketing and usage within their projects or concepts. Could be in the form of a pfp for the project, perhaps a storyline or even some marketing materials.

- A percentage of profit made from sales using our jpegs should be paid back to the fund

Amounts to be finalised, but as an example, 20% on profit of sales is paid back to the fund to continue growth.

We would also utilize a wide skillset from our ApeCoin community including artists, designers, developers, lawyers, media, news and more. We are essentially supporting our community and showcasing all of the individual talents.

Projects can be taken in house, for example the ApeCoin Arena and ApeCoin payment gateway proposal could be an in house project.

Beta testing can be assisted by core team. Better Security testing and audits can be carried out quicker.

Lastly this will create a vessel to receive back from the ecosystem. Currently the DAO cannot receive payments, but funds can be received by innovation fund to drive innovation further.

Other benefits to be added as identified.

Specifications

Horizen Labs official ApeCoin Staking Contract

Uniswap Pools

Binance

Paraswap

There's many options to choose in regards to Staking ApeCoin and jpegs.

Essentially the DAO is in full control and stakes the assets, the innovation fund only receives monthly rewards from the staking pools to operate and distribute to projects on a monthly basis.

#### Steps to Implement

1. Establish the innovation fund.
2. Acquire 25 Bored Apes, 25 Mutants and 25 BAKC for staking utility and also for IP opportunities within ApeCoin projects.
3. Stake ApeCoin against jpegs giving up to 88% APR. Stake remaining allocation of ApeCoin, staked alone gives approx 40%.
4. Setup of entity to receive the staking rewards, let's get to work.
5. Elect core team to manage projects and services on offer.
6. Project checkin, sit with projects and find out their status, goals, needs and current issues or problems.
7. Align with communications, marketing and promotion channels.
8. Align with ThankApe initiatives, we aim to showcase the projects in dedicated events and initiatives.
9. Align with community services and offerings that we can utilise within our projects like artists, designers, developers, lawyers, security, writers, media, etc.
10. Project showcase to community

Winners chosen by community in a fun showdown round for the season. Best Projects chosen can win a prize, could be an NFT, additional funds or both.

#### Timeline

##### Month 1

1.1 The ApeCoin Innovation Fund will be setup and funds will be staked by the DAO.

1.2 The required number of jpegs can be purchased while we have a good floor and selection on offer.

These two steps can happen asap so that the funds can start growing and we can begin the next steps.

##### Month 2

2.1 The core innovation team and advisory board is established.

##### Month 3

3.1 Align projects within ecosystem

3.2 Identify needs of projects and builders.

3.3 Begin providing first support in form of services and funds to projects.

- This can differ per project size and need.
- Ongoing monthly support provided for maximum of 12 months per project.
- Thereafter AIP is prepared and submitted, supported by communications.

#### Overall Cost

The maximum AIP allowance of 5% should be allocated to the innovation fund from the DAO Treasury.

A monthly operational budget for the core innovation team should be approximately 50k to 70k per month and will be taken from the innovation fund payments

The core innovation team should include the following members:

1x Project Manager - Oversee all projects and in-house ApeCoin projects.

2x Web3 Developer - Front-end & Full stack developers to advise and assist projects.

1x Smart Contract Developer - Develop and Audit Smart Contracts, advise and assist projects.

1x Marketing - Oversee marketing activities, advise and assist projects.

1x Designer - Designs for all projects and in-house ApeCoin projects, advise and assist projects.

1x Writer - Copy creator for all projects and in-house ApeCoin projects, advise and assist projects.

Staking against jpegs offers a higher APR, this is not ment to be a transfer of wealth from ApeCoin DAO, it's ment to facilitate IP usage of Apes for the projects who cannot afford them.

This is not ment to be a floor sweep, jpegs will be chosen based on look and marketing appeal but will be limited to the lower end of the price range.

Staking against NFTs does offer higher yields but this may create a burden for admin.

This proposal is requesting 13,000,000 ApeCoin (5% of treasury, not reserved for grants outstanding, as determined by Special Council), to be provided in tranches via a mechanism to be determined together with the APE Foundation at a later date.

[

Snip20231115\_21

1059×572 106 KB

](<https://global.discourse-cdn.com/apecoin/original/2X/6/6860dd1ba0f357047428ea465731444ad57a3f57.png>)