

Project name

: Prime Rating

Author name and contact info (Discord)

: salomé#0632

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant

: Yes

L2 recipient address

: TBD

Grant category

: Tooling (Public Goods)

Is this proposal applicable to a specific committee

? No

Project description (please explain how your project works)

:

[Prime Rating](#) is building a platform to enable a permissionless review framework for evaluating fundamental quality and technical risks of web3 projects. Our mission is to foster transparency within the DeFi ecosystem and beyond, by enabling community-driven research through a unique “rate-2-learn & earn” approach. Everything is fully open source and enables anyone with the right expertise to contribute, learn, level-up and earn rewards.

Through our methodology, we create in-depth assessments of protocols, which are displayed as simple letter ratings (from A+ to D). Our goal is to fast-track coordination within the web3 ecosystem and facilitate decision-making for users, investors and builders.

The rating reports are created in a seasonal approach. Each season is a 5-6 week long contest, where participants get rewarded for successful submissions and win additional prizes, based on quality and other criteria.

The results of previous seasons can be seen on our [app](#) in the form of 180+ protocols that were reviewed and regularly updated. We currently have three categories live, i.e. DeFi, Metaverse and ReFi. We would be more than happy to increase coverage of our ratings to protocols building on Optimism.

Project links

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- Website: [Prime Rating](#)
- Twitter: [https://twitter.com/Prime\\_Rating](https://twitter.com/Prime_Rating) spinning off from [https://twitter.com/PrimeDAO\\_](https://twitter.com/PrimeDAO_)
- Discord/Discourse/Community: [Discord](#)
- Please include all other relevant links below:

Blog: [<https://medium.com/primedao/tagged/prime-rating>

](<https://medium.com/primedao/tagged/prime-rating>)How to become a Rater: [Permissionless Rating - Prime Rating](#)

Additional team member info (please link)

:

Salome: <https://twitter.com/SalomeBernhart>

Lavi: [https://twitter.com/Lavi\\_54](https://twitter.com/Lavi_54)

Thomas: <https://twitter.com/xm3van>

Luuk: <https://twitter.com/LuukDAO>

Please link to any previous projects the team has meaningfully contributed to

:

Our core team members have previously contributed to and led initiatives in several web3 projects, such as [Index Coop](#), [Balancer](#), [Idle Finance](#), [Yield Guild \(YGG\)](#), [TE](#), [TEC](#), [Longtail Financial](#), [Paladin](#), [the DAOist](#), [Kolektivo](#) and others. In addition, we bring academic-grade research experience as well as crypto-native investment research skills to the table.

Our team members are also part of several web3 builder communities, such as [Kernel](#), [Safary Club](#) or [Encode](#).

With regards to contributions to Prime Rating, some previous supporters of our events are [1kx](#), [Celo](#) and [MetaPortal](#). Moreover, we have a strong partnership with [DeFi Safety](#) for coverage of technical reviews.

One of our latest public research contributions was this research paper about legal structures for DAOs [Costs and Benefits: Thinking Through Legal Structures for DAOs — PrimeDAO](#)

And this research about enabling collateral in DeFi lending:

[Medium — 8 Jul 22](#)

## **Enabling Collateral in DeFi Lending—Why Your Favorite Token Might Not be...**

Authors: Lavi & Dabar90

Reading time: 17 min read

Relevant usage metrics (TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.)

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- 180+ protocols evaluated in DeFi, Metaverse & ReFi
- More than 350 unique fundamental and technical reports written (protocols can be reviewed more than once by multiple raters)
- Over 50 unique aspects evaluated per protocol (we evaluate a protocol's value proposition, tokenomics, team, governance, code quality, security, documentation, testing and more)
- 7 rating events with over 60 [raters](#) contributing (see on-chain [reputation](#))
- ~3k monthly views of our reports (with no marketing)

Competitors, peers, or similar projects (please link)

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We are not aware of any direct competitors that do similar project deep-dives and token reviews like we do. And as far as we know there's no competitor offering full ecosystem coverage of projects building on Optimism, but there are other projects that create ratings:

- <https://baserank.io/>
- [List of Cryptoassets by Rating - Wikirating](#)
- [Crypto Coins - Weiss Ratings](#)
- <https://kryptview.com/>
- [Blockchain, Crypto Data, News & Ratings - TokenInsight](#)

However, most of these ratings are based on other criteria than fundamental and technical quality reports.

Is/will this project be open sourced?

: Yes

Optimism native?

: No

Date of deployment/expected deployment on Optimism

: TBD - We expect to move our operational part to Optimism in October.

## Ecosystem Value Proposition

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- What is the problem statement this proposal hopes to solve for the Optimism ecosystem

?

Prime Rating's proposal is based on the idea that a comprehensive, unbiased review and assessment of protocols is a mandatory requirement in a blockchain for common goods. We see our products and services as a complementary public good, to help users navigate an extremely fast-moving explorative ecosystem where it's very cumbersome to keep up with all the developments.

Our vision is to provide all Optimism users access to important information in an easy, professional-grade, and actionable format. Applying this strategy to all our products and services is how Prime Rating aims to reduce socioeconomic inequality.

We decided to reach out to Optimism because it stands out not only for its capacity to scale but also for its commitment to pursuing the vision of decentralized public goods.

Together, we believe that we can help foster a deeper culture of full transparency, increase safety, usability, and trust within Web3.

- How does your proposal offer a value proposition solving the above problem

?

Prime Rating creates much-needed transparency on quality and risk in DeFi. We aim to introduce a new Rating framework for Optimism, which will enable users to curate projects building within the Optimism ecosystem and sort them by quality. For the user, this means a powerful feature to better navigate around pitfalls and find the projects that actually have something to offer, according to their risk appetite and fit within the broader public goods ecosystem.

In the end, we will contribute to a free, improved, and more resilient experience that increases user retention on Optimism. Moreover, we believe that our value proposition can help Optimism as a whole. As we will generate insights on the health of projects building on Optimism, which is an indicator of its overall ecosystem health. This can also include the creation of a regular ecosystem-report, to highlight developments and uncover potential gaps.

At the same time, we aim to also foster income generation through our API and add-on services such as ratings on demand, custom research, and potentially advisory services. Imagine Rating as a potential research hub dedicated to the Optimism ecosystem, that can be leveraged for more than protocol deep-dives in the future.

- Why will this solution be a source of growth for the Optimism ecosystem

?

We believe the following key features will create sustainable sources of community growth, user growth and retention, and protocol growth:

- Improved user experience on Optimism, by providing a curated project overview and enabling new features (e.g. sort the [dApp overview](#) by rating score, verified tick for protocols building on Optimism, inform on state of projects, etc.).
- New opportunity for Optimism's community and analysts to contribute towards a meaningful mission, improving the ecosystem and making it more resilient.
- Unique, commons-oriented review framework for permissionless coverage of the full Optimism ecosystem, enabling easy and fast orientation for users, builders, and contributors.
- Attractive rewards and prizes for all participants, attracting the best analysts (~75% of the grant will directly be used to reward community contributions).
- Foster full transparency about quality, risks, and impact for projects on Optimism. Thus improving partnership and coordination management between protocols building on Optimism.
- There is a real problem of voter fatigue, it is hard to read proposals. To ensure you are an informed voter, Prime Rating provides a highly sophisticated TLDR with its rating scores.
- Free learning effect for participants empowered via our review framework. This education for the OP community is an additional public good that comes with our events.

Has your project previously applied for an OP grant?

: No

Number of OP tokens requested

: 220.000

Did the project apply for or receive OP tokens through the Foundation Partner Fund

?: No

If OP tokens were requested from the Foundation Partner Fund, what was the amount

?: n/a

How much will your project match in co-incentives? (not required but recommended, when applicable)

: ~1:1 as in previous events, raters are awarded with OP and [D2D](#) tokens. In addition, raters receive a non-transferable experience and governance token called RXP and POAPs for participation and awards (see [blog post](#) from past event).

Proposal for token distribution

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- How will the OP tokens be distributed? (please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving.)

~75% of the funds are used to reward participants during the rating events of Optimism [dapps](#). Upon successful submission, i.e. when reports passed governance, the raters are rewarded with 150\$ in OP + 200 D2D (reward can increase with higher levels). In addition, raters that submit the most reports or the best reports in terms of quality are awarded additional prizes.

All insights generated during these events will be freely accessible via the [website](#) and our API, that we'll grant access to for Optimism-related information sites.

15% will be used to create an Optimism specific framework that helps to evaluate its ecosystem. This will require partnerships with other protocols on Optimism to review the framework.

The remaining 10% will be used to cover some operational efforts to run the rating events.

TLDR:

- The OP tokens will be used to facilitate between 4 to 6 Rating events (e.g. 4 DeFi + 2 Metaverse contests) for a time period of approximately 9-12 months.
- During these events, we will host 8-12 expert sessions (workshops or AMAs), to educate the community on fundamental analysis and risks in DeFi and Metaverse
- Each event will be having a kick-off session, where we'll explain all that is needed to participate in detail
- We'll set up specific communication channels to support the Optimism community and the raters, specifically to facilitate a great experience during the contests.
- To promote the events and to attract the best talents, we'll conduct regular social media, marketing campaigns and Twitter push.
- In terms of marketing, we'll of course also place the Optimism logo on our website
- We'll also host Twitter spaces to share insights, and if requested we're more than happy to produce 2-3 research articles about overall findings and to condense the insights generated via the protocol deep-dives.
- Over what period of time will the tokens be distributed for each initiative? Shorter timelines are preferable to longer timelines. Shorter timelines (on the order of weeks) allow teams to quickly demonstrate achievement of milestones, better facilitating additional grants via subsequent proposals.

Over a time period of 9-12 months depending on how many successful report submissions of fundamental rating reports from the community are received.

- Please list the milestones/KPIs you expect to achieve for each initiative, considering how each relates to incentivizing sustainable usage and liquidity on Optimism. Please keep in mind that progress towards these milestones/KPIs should be trackable

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M1 - Customise FA report template and adjust infrastructure to enable coverage of Optimism-based protocols

M2 - Organise first rating event within 1 month of receiving the grant

M3 - Ensure initial coverage of at least 30-35 protocols via the first and second event

M4 - Grow the community branch dedicated to Optimism to at least 15 raters regularly engaging and continuously writing and updating protocol reviews

M5 - Increase coverage to at least 50 protocols until end of Q4 2022

M6 - Have the newly created ratings shared via API integration with at least two information outlets dedicated to Optimism (this comes in addition to a real-time updated dashboard in our rating app).

M7 - Create an ecosystem report, summarising the insights generated from the ratings

M8 - Ensure updating and coverage increase over Q1 & Q2 of 2023 and updating of ecosystem overview report when new insights are gained.

It's our goal to regularly report and update on progress made, by sharing them in this forum.

- Why will incentivized users and liquidity on Optimism remain after incentives dry up?

Prime Rating enables users to navigate in a space without boundaries and room for exploration, we guide users to help do their own research before interacting with new dApps. Interacting with apps on Optimism should work flawlessly. Our platform will continue to be updated as a means of discovery for users looking to use applications on Optimism. In addition, the data collected and ratings that Prime Rating published will continue to exist on IPFS and be useful for users who seek to interact on Optimism.

In a space where most information is public and code open source, the value of data lies in its curation, sense-making and how you apply it in the right context. Currently, Prime Rating offers two services to fully sustain itself in the future. Specific Report on Demand (RoD) requests, general research requests, copywriting and our API allow us to open our rating data to an even wider audience.

Also, in the near future, we are interested in launching a framework to facilitate deeper synergistic relations, help in the evaluation of Governance proposals and gain voting power between the two communities.