Discretionary Budget from UAC for Co-Incentive Campaigns

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Summary:

AlphaGrowth, stewards of the Uniswap Growth Program, proposes accelerating the execution of co-incentive campaigns. Leveraging some of the UAC's surplus budget, we can capitalize on high-impact, time-sensitive opportunities without needing any additional funding from the DAO. While many of these opportunities are not yet able to be discussed publicly (pending negotiations), currently there is an opportunity with EtherFi to match $250k in incentives.

This EtherFi-sponsored campaign would deepen onchain liquidity of specific EtherFi assets (particularly weETH) on Uniswap. Our incentives would be matched 1-to-1 by EtherFi with ETHFI tokens, and additionally would be co-marketed by their protocol.

Background:

Since the kickoff of the Uniswap Growth Program, we've activated numerous relationships with new chains and opportunities for the Uniswap protocol. Many of these opportunities are standard, and we will continue to help push these through governance, and co-incentivize deployments via the Onboarding Package. As we have quickly found, however, some of these opportunities require more of a tailor-made co-incentivization structure.

Problem:

Uniswap's governance process is designed to ensure transparency and thorough deliberation. However, with the current process, activating a co-incentive campaign requires an RFC, Snapshot, and on-chain proposal—a process that can take a minimum of 4 weeks. While this process is effective for specific initiatives, the time required can lead to missed opportunities, particularly for high-impact initiatives that require quick execution.

Proposal:

The UAC currently has a sizable budget (in the form of UNI tokens) for incentivization. This budget is now at a surplus due to the recent increase in the price of UNI. Different DAO-based initiatives are bucketed into their respective accounts. The largest account on the UAC books is currently the Incentive Package Budget, which accounts for funds that are meant to be distributed as incentives to target chains, along with contracting costs to facilitate deployments (e.g., Oku and Merkl). At a price of $16/UNI, the dollar-based surplus for this account sits at $2,936,333. In other words, there are nearly $3M extra sitting in the UAC multisig.

Incentive Package Balance

UNI

USD

Current Balance

227,688

$ 706,667

Current Adjusted Balance

$ 3,643,000

Surplus/Deficit

$ 2,936,333

We propose authorizing the UAC to use some of these surplus funds to enable high-value co-incentivization campaigns spearheaded by the Uniswap Growth Program. These surplus funds would be issued by an internal UAC vote on a case-by-case basis, ensuring the campaigns align with the goals of the Uniswap DAO and enabling the Uniswap Growth Program to act quickly on high-value opportunities. This reduces the time requirement from ~4 weeks to a few days (pending an internal UAC approval vote) and uses funds previously allocated to the UAC multisig. To set limits to the spending, we will only be able to draw capital from the surplus while the surplus is at least 50% higher than the Current Balance. In the above case, with the current balance sitting at $706,667, we would only be able to utilize the surplus if it surpasses $1,060,000. This

leaves a 1.5x buffer for the price to fluctuate and not cut into the payables associated with the balance. Furthermore, only incentive programs with $250k worth of funds or less can be used discretionarily.

This accelerated decision making process will ensure that Uniswap remains front and center as we dive head-first into the bull market. The UAC will report the details of the discretionary spending on the forums upon their execution, ensuring transparency and accountability.

Timeline:

This RFC will be on the forums between Dec 12 - Dec 19

A Snapshot will follow between Dec 19 - Dec 23, requiring 40M Yes votes to pass

Note: Since there will be no onchain execution present, we propose solely requiring a Snapshot vote. Including the onchain vote would prolong the process by about 10 days, which would disqualify Uniswap from attaining the $250k match from EtherFi. If the Snapshot passes with the onchain quorum threshold, it in effect represents the same sentiment that an onchain would reflect.