

Everstake proposes to create a liquid staking solution for NEAR Protocol as a part of the LEGO Initiative. Please read the proposal and provide feedback over the next few days and vote for it on [Snapshot](#). The voting period will start on May 2, 2022 and end on May 8, 2022.

About NEAR Protocol

Near is a secure, decentralized platform for creating blockchain-based DApps that can manage digital assets and identity. According to the protocol developers, the application can be deployed in just a few minutes. The sharded Proof of Stake structure allows NEAR to process up to 100,000 transactions per second.

Being in Top 10 Crypto Assets by Staked Value with more than \$6,422,073,841 staked, NEAR represents a valuable expansion for Lido. To provide a better picture of potential returns to the DAO, please review the forecast below:

Market Share (%)

Lido Annual Rewards (USD)

DAO Annual Rewards (USD)

2

964,772

482,386

5

2,411,929

1,205,964

10

4,823,858

2,411,929

15

7,235,787

3,617,893

20

9,647,716

4,823,858

25

12,059,645

6,029,822

Formulas used for the forecast

Lido Annual Rewards = Total Stake X Market Share X Last Epoch APY X Lido Fee X NEAR Price

DAO Annual Rewards = Total Stake X Market Share X Last Epoch APY X DAO Fee X NEAR Price

Metrics used for the forecast

Lido Fee: 6%

DAO Fee: 3%

Last epoch APY: 10.50%

Total Stake: ₳ 449,616,910

NEAR Price: \$17.03

The current NEAR DeFi ecosystem includes Ref Finance, OIN Finance, Burrow, Trisolaris, WannaSwap, and more. Based on the [current data](#), the Total Value Locked is over \$500,000,000. Considering the growth of DeFi, we strongly believe that stNEAR can be used as collateral in multiple DeFi protocols and provide additional value to NEAR holders.

About Everstake

Everstake is one of the most acknowledged validators in the staking industry worldwide. Everstake was founded in 2017 and has grown rapidly with over 625,000 delegators, and \$6.2 billion crypto assets staked (as of December 2021). Each of our validating nodes is constantly maintained by professional DevOps and seasoned assistants in more than 50 blockchains.

Aside from providing staking services, Everstake is committed to developing multiple projects that support delegators, creators, and developers.

Some of the projects that we successfully launched:

Metaplex

: a decentralized protocol paired with an open-source web framework that lets artists, brands, and creators launch self-hosted NFT storefronts as easily as building a website – all without writing any code.

Wormhole Terra Bridge

: the Terra-Solana-Ethereum Wormhole bridge allows fast and decentralized cross-chain transfers.

StakeSolana.app

: is the Solana Ecosystem Dashboard developed by Everstake. The main goal is to provide a detailed breakdown on the available staking options, in particular, assist existing stake pools to get more exposure and attract delegators.

Cosmoscan

: the first data and statistics explorer for the Cosmos network. It provides information on overall network operations, governance details, validators, and much more.

Elrond Monitor

: a superfast and user-friendly Elrond Network Blockchain Explorer.

Oasis Monitor

: a robust and full blockchain explorer and API for the Oasis network.

Design

The main idea of the design is built around the stNEAR liquid token that represents the accumulated staked NEAR and rewards. The deposited stake will be distributed by the Lido for NEAR smart contract across validators following the logic similar to other networks supported by Lido.

We suggest that the Lido fee to delegators should be 6% where up to 3% goes to validators and the rest is kept by the DAO treasury. Currently, about 37% of all NEAR is staked with validators that have a 10% fee. We believe that setting a 6% fee with liquid staking benefits, will allow Lido for NEAR to reach a higher market share and become a major player on the NEAR staking market.

The exact user flow should be the following:

[

1280×720 60.2 KB

](<https://europe1.discourse-cdn.com/business20/uploads/lido/original/2X/6/69069acc8bfd790658ed9c89722af2dd9bb0d0ad.jpeg>)

1. User delegates NEAR to the Lido for NEAR Smart Contract and receives stNEAR
2. Lido for NEAR Smart Contract assigns equal parts of delegated NEAR across Validators
3. Validators then withhold their commission and remaining rewards accumulate in the smart contract

Lido for NEAR validators will be chosen by the DAO, however, we recommend keeping a certain threshold to join. This will allow decentralizing assets and make sure that only reliable validators are selected. The recommended set of criteria should be the following:

1. NEAR seat price is met
2. The percentage of the validator's stake is less than 4% of the total
3. Uptime is over 95%
4. The commission is less than 3%
5. Geographical decentralization of nodes among validators (avoid nodes in the same jurisdiction)
6. DAO approval

stNEAR

stNEAR is currently used by Metapool - liquid staking provider on NEAR Protocol. To align with the Lido brand, we propose to keep the stNEAR ticker. Therefore, we wanted to discuss with the DAO options of implementing stNEAR into Lido for NEAR.

To move forward, we offer two options:

1. Keep the stNEAR ticker, but rename it to "Lido Staked NEAR" instead of "Staked NEAR".
2. Discuss the acquisition of stNEAR with Metapool

Please leave your feedback regarding this section in the comments below.

Incentives

To support the long-term success of the Lido for NEAR, we propose the incentive structure that respects the interests of all involved parties. Everstake is committed to delivering a valuable solution and growing it over time, along with benefiting the DAO.

The following structure is based on the long-term commitment of Everstake to the success of Lido DAO and Lido for NEAR. We propose to issue a 100,000 LDO grant to Everstake for each percent of the market share achieved by Lido for NEAR up to 20%.

Please see the table below for detailed breakdown:

Market Share

Amount

1%

100,000 LDO

2%

100,000 LDO

3%

100,000 LDO

4%

100,000 LDO

5%

100,000 LDO

6%

100,000 LDO

7%

100,000 LDO

8%

100,000 LDO

9%

100,000 LDO

10%

100,000 LDO

11%

100,000 LDO

12%

100,000 LDO

13%

100,000 LDO

14%

100,000 LDO

15%

100,000 LDO

16%

100,000 LDO

17%

100,000 LDO

18%

100,000 LDO

19%

100,000 LDO

20%

100,000 LDO

To identify the market share, we will use the ratio of NEAR staked with Lido versus all other staked NEAR based on the Validator Stats. This market share percentage, has to be kept for at least 30 days to mitigate the variability.

To support the ongoing development, maintenance, and improvements, we propose that Everstake will keep 20% of the fee received by the DAO while the other 80% is held by the treasury.

To provide a better context, if Lido for NEAR charges a 6% fee, 50% goes to node operators and 50% is retained by the DAO treasury. The suggested structure would distribute 20% of the DAO's portion to Everstake.

Additionally, we propose that audit expenses will be covered separately by Lido.

Roadmap

Q1 2022

- Research and specification (February - March 2022)

Q2 2022

- stNEAR Delegation Design and Frontend (March 2022)
- Completion of Smart Contract Development (March - April 2022)

- MVP Development and Testnet Deployment (March - April 2022)
- The Test Launch (April - May 2022)
- Smart Contract Audit / Review (May 2022)
- Validators' Onboarding (May 2022)
- Mainnet Release (May 2022)
- Integrations with wallets and DeFi projects (Rest of 2022)
- Adding liquidity and lending farming rewards (Rest of 2022)
- Governance structure and tokenomics (Rest of 2022)