

In an effort to further facilitate the alignment of Lido contributors, stakers, node operators, and LDO token holders, a set of Lido DAO contributors created this Manifesto to serve as a reference point for past, present, and future decision-making regarding Lido's evolving operator and validator set.

Lido DAO is always aligned with the Ethereum values and puts a lot of effort into bringing Ethereum closer to these values. A list of current and completed activities is presented at the end of this post. In order to put them together and make them as effective as possible, it is necessary to form a clear understanding of the goal we want to achieve.

By publishing this post, Lido DAO contributors want to establish goals for the extension of the Lido node operator set, and receive feedback regarding these goals. At this stage, it is crucial to get opinions from Lido contributors, stakers, node operators, LDO holders, and the wider community as subsequent decisions on the composition of the Lido node operator set will be based on the goals outlined in this Manifesto. We are grateful for your comments, additions, and opinions!

The Manifesto is not a plan of action, but rather forms the basis upon which further actions will be viewed and agreed. Further plans for the short term are also set out in the last paragraph of this post.

# Lido-on-Ethereum Community Validation Manifesto

N.B.

we are using the term community stakers/validators in the below document to refer to a superset of home stakers. This term encompasses any entity (a person or a group of people) whose values align strongly with Ethereum and whose primary motivation is not financial.

## The main purpose of Lido strategy

Lido's mission is to align with the Ethereum core values of decentralization, credible neutrality and censorship resistance.

Since its inception in Dec 2020, the Lido DAO has worked hard to bring Proof-of-Stake Ethereum closer to the realization of these values.

The benefits that Lido bring must be tangible and practical. These results must not only be proclaimed, but also demonstrated. Lido has a significant share of the staking market. As a result Lido DAO contributors feel particularly responsible for the changes we bring and the decisions we make.

## What does it mean to be aligned with Ethereum values?

We want to do our utmost best to help keep Ethereum:

- credibly neutral
- censorship resistant
- resilient

## In order to achieve this, we are committed to the following principles:

Support and nurture community stakers

Ethereum's ability to recover from a majority attack relies on the existence of a long tail of community stakers, aligned with Ethereum's values, who are able to fork and keep the original network running whatever happens. We want to do everything we can to help support and nurture this demographic.

Increase Ethereum's technical, geographical, and jurisdictional resilience

Increasing the diversity of Lido's validator set across these three dimensions – technical, geographical, jurisdictional – makes Ethereum more resistant to software bugs, wars, natural disasters, government/legal overreach, and censorship attacks. It also helps ensure a wider representation of voices at the social layer.

Create more replicas of the network state

Every extra independent replica of the network state makes Ethereum more resistant to censorship and increases the odds of recovery from a catastrophic event.

## In order to embody these principles, Lido needs to achieve the following goals:

1. Increase both the type and number of independent node operators we support (without compromising on quality)

2. Develop better and fairer criteria for entry into the Lido set of node operators
3. Lower the barriers to becoming a node operator
4. Make it as easy as possible for home stakers to onboard and become professional operators (should they wish to do so)

## Current state of goals

In order to proceed to the next steps, let's evaluate what has already been done in accordance with the goals set, and what we are working on now:

### What we have already done to directly further these goals

- Launched and grew a transparent liquid staking protocol an ever-increasing set of node operators at a critical time for Ethereum, when exchanges and custodians had a very strong edge and powerful network effects
- Grew the set of node operators over time in accordance with [our principles](#)
- Made a ton of grants in furtherance of public goods, infrastructure, educational materials, staking tools and resources, and data and analytics:
- [Pioneering grant to the Protocol Guild to direct funding to Ethereum core protocol contributors](#)
- [Grant to Miga Labs for Ethereum Consensus Rewards Analysis](#)
- [Grant to Miga Labs for Ethereum Consensus Layer Client Performance Analysis](#)
- [Grant to Abstract DF for Ethereum Consensus Layer Google BigQuery dataset and stakerops.io dashboard](#)
- [Grant to Rated.network](#)
- [Grant to Ethereumpools.info for public operator and validator monitoring](#)
- [Grant to Obol and SSV Network for DVT research](#)
- [Grant to Stereum \(rocklogic team\)](#)
- [Grant to SyncLink \(rocklogic team\)](#)
- [Grant for Beaconcha.in | Block explorer](#)

For more details and breakdowns of all of the grants given out, check out [LEGO quarterly reporting](#)!

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- Lido has been battle-testing PBS approaches with MEV-Boost adoption, policies development, and [public discussion](#)
- Lido doesn't enforce any requirements to the node operators' infra encouraging them to [use a diverse set of clients and tools](#)
- Created a robust open-source [software stack for best in class external validators monitoring, the Lido Ethereum-Validators-Monitoring tool](#)

- Maintain a Lido node operator community with async and sync communication over important topics and during crucial periods such as The Merge

## What are we working on now to directly further these goals

- Staking router — Staking Router will allow Lido to move to a modular validator set in such a way that a separate smart contract is responsible for its part of the validator subset. This is a technical but important step towards community validation.
- [DVT Pilot with SSV Network](#) and Obol — Adoption of Distributed Validator Technology enables multiple Node Operators to run distributed validators, decreasing single points of failure and providing important benefits across decentralization and diversity, infrastructure resilience, and security.
- Withdrawer initiated exits — Lido contributors are working on an EIP for a new type of message from a dedicated smart contract to trigger a validator exit that will allow increased trustless handling of node operators in decentralized staking protocols

## What we are doing to indirectly bring us closer to these goals

- [Two-Phase Voting](#) — a two-phase voting schema allows us to have timelock + veto-like behaviour for votes. This way, in case something bad happens, the community will have 24 hours during the timelock to react.
- We support the Ethereum community by bringing a valuable contribution to the network by [Lido Ecosystem Grants Organization](#) (LEGO)
- We make the management of Lido's node operator set transparent by performing [Lido Node Operator Community calls](#)

## Next steps

Taking into account the goals set, we see the following steps toward achieving these goals:

- Upgrade protocol to enable staking router adapter
- Integrate DVT solutions
- Introduce Withdrawer initiated exits EIP and maintain the public discussion
- Conduct a needs research of community stakers and identify how Lido can meet those needs
- Propose options of mechanisms for community stakers to enter into Lido node operators set
- Assess the feasibility and implementation of these mechanisms, as well as the associated risks
- Choose the most suitable mechanisms for Lido
- Form a roadmap for the implementation of new mechanisms and share it with the community