
QUADRATIC ACCELERATION (Q/ACC): A MECHANISM FOR PROTOCOL-BONDED TOKENIZATION

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ABSTRACT

Web3 token experiments frequently fail due to the complexities and challenges of tokenization. These failures have led to a negative perception of tokenization despite its potential to transform traditional networks with innovative social and economic solutions. Successful token protocols routinely drive adoption through grants, yet existing grant models misalign incentives between protocols, projects, and communities. Protocols face sell pressure from token-based grants, projects become dependent on grants, and communities struggle to access meaningful ownership stakes. This paper introduces the concept of Protocol-Bonded Tokenization (PBT) and its implementation in a protocol called Quadratic Acceleration (q/acc). The PBT model and its implementation in q/acc address these misalignment's using Augmented Bonding Curves (ABC) and Quadratic Funding (QF) to redirect grant capital to bootstrap new fair-launch token economies. The q/acc mechanism automates liquidity creation, guides projects through tokenization and ensures sustained alignment among stakeholders. By integrating these features, PBT and q/acc provide a comprehensive growth philosophy and playbook from initial token launch to protocol maturation and resolve a fundamental tension persistent in the web3 ecosystem.

Keywords Web3 · Tokenization · Grant Programs · Quadratic Funding (QF) · Augmented Bonding Curves (ABC) · Stakeholder Alignment · Automated Market Makers (AMM) · Fair

Token Launch · Capital Efficiency · Initial Token Offering (ITO) · Liquidity Provisioning · Decentralized Exchanges (DEX)

1 Introduction

An overwhelming majority of tokens fail, some quickly and some painstakingly slowly. Once considered the next big thing, tokens now lie buried alongside best-intentioned experiments and worst-intentioned scams. Their failure rate has caused negative sentiment about token systems both from the public and from the web3 community.

Tokenization has been a thorn in the side of many web3 projects because, on the one hand, it epitomizes their primary attraction to web3: to build and participate in novel token networks. This new and weird innovation takes the best from traditional networks while offering unique social and economic solutions that others do not. On the other hand, some significant headwinds remain, such as the complexity and cost of tokenization and widespread regulatory ambiguity. These challenges make tokenization impossible for many web3 projects.

Another well-known fact in web3 is that successful token protocols raise vast amounts of capital revenue. They often seek to incentivize protocol adoption by allocating tokens through grant programs. According to the *State of Web3 Grants* report,¹ between 2017 and 2023, thirteen grant programs allocated over 800M USD to web3 projects. That report represented merely a fraction of the web3 grant programs. There are now even more web3 protocols, with most allocating increasingly larger amounts of capital to their grant programs. Hundreds of millions of USD are now allocated annually.

Despite the number and sheer size of web3 growth programs, existing grant models fail to align the incentives of the key grant stakeholders: protocols, projects, and communities.

Protocols allocate large amounts of capital via their own token, which creates predictable sell pressure but not predictable protocol adoption or token holding. Nor does it produce long-term commitment from builders.

Projects want to benefit from the advantages of tokenization but the costs and complexities involved are often prohibitive. Instead, if they do not meet the criteria for VC investment or do not choose to pursue that path, they can slip into a cycle of grant chasing to stay funded.

Communities want access to a stake in web3 projects but those opportunities remain closed to most. Web3 communities are constricted to hoping for an airdrop and speculating on the vast universe of unvetted tokens, where it is often impossible to tell the scams from opportunities with real potential for future value.

¹<https://docs.google.com/document/d/1CFD6ztSh2ggJSO-U3uEea92UVB1cRbvBIA1tfPxLK8/>

A web3 growth mechanism that increases stakeholder alignment through safe-guarded tokenization is needed, one where

- protocol grant capital is directed to programs that directly benefit their token value and produce a measurable commitment to their ecosystem by the project recipients,
- carefully screened projects are uninhibited by the complexity of tokenization and enabled to launch durable token economies via an open and fair token distribution, creating value in a truly decentralized manner while remaining focused on building,
- communities actualize the web3 potential of community ownership in novel web3 economic systems, and
- there is inherent ecosystem support through better stakeholder incentive alignment.

2 Stakeholder Alignment

We define the following three stakeholders involved in the web3 ecosystem:

Protocols are any web3 protocol with a token, blockchain protocols like Polygon, Optimism, and Arbitrum or DeFi protocols like Uniswap, QuickSwap, and Aave, or other decentralized protocols like Giveth, Gitcoin, and ENS.

Projects are founder-led teams building in web3.

Communities comprise anyone with a stake in the project’s success who is not on the team: everyone from their contributors and supporters to anonymous users of their products.

Protocol designers seek the adoption of their token and long-term commitment from builders, but they do not predictably achieve these results using existing grant programs. Projects deploy smart contracts on blockchain protocols that offer the largest incentives, successively repeating the process through other chains. This dynamic creates a “pay-to-play” competition among chains and makes grant farming a permanent operational fixture for projects building in web3. Blockchain protocol treasuries are depleted when direct grants are spread across many projects with high uncertainty that projects will deliver value to the ecosystem. Additionally, grant recipients often convert grant tokens immediately into stablecoins to ensure reliable reserves for their operations, creating sell pressure that undermines the protocol’s token price. The larger the grant program, the larger the downward pressure on the token’s value.

Projects need funding to build toward a decentralized, open, and accessible Internet that empowers individuals and gives them control over their data and digital assets. While many protocols have grant programs, applying can be a lengthy process requiring high levels of attention and interaction, detracting from the focus on product development. Direct grants are often one-off and sporadic, so projects become trapped in cycles of grant chasing. A better solution is for projects to leverage community capital formation and realize value

created from their product’s success through tokenization. Still, the costs and complexity of tokenization are often prohibitive. The result is that projects turn to VC funding to finance liquidity, listings on centralized exchanges and other costly ways to launch tokens. This approach continues to centralize power and ownership in a select group; it is inherently at odds with the web3 vision of democratizing access and decentralizing control.

Communities who embrace the promise of owning the next version of the Internet as a critical value proposition are inherent stakeholders in blockchain networks. Direct grants, for the most part, do not engage this key stakeholder. Grant distribution mechanisms like Quadratic Funding (QF) give communities a more active role in grant allocations. Still, QF stopped short of transforming donors into owners or providing a stake in the upside for their project support.

3 The q/acc Protocol

The q/acc protocol is the logical evolution of web3 grant mechanisms incorporating tokenization and democratizing ownership and access. At a high level, the q/acc protocol:

- directs grant funding into Augmented Bonding Curves (ABC) and liquidity pools on decentralized exchanges,
- engages communities to support these projects and rewards them with project tokens,
- guides projects through tokenization and automates the growth of their secondary market liquidity,
- provides projects with a clear path to graduate off the ABC and
- upon graduation, delivers all funds raised in the reserve pool of the ABC to the project.

The protocol is designed to jumpstart new token economies that may be worth many times more than an initial grant value and provides projects with a revenue stream from ABC transactions and arbitrage profits between primary and secondary markets. It also predictably drives a chain protocol’s total value locked (TVL) and eliminates the token sell pressure brought about by traditional grant programs. Importantly, it enables those in the community to become token holders, not just donors or hopeful recipients of airdrops, and it creates long-term alignment between protocol and project by bonding their tokens.

With q/acc, most grant capital allocated by a protocol stays in that protocol’s token. The initial grant to tokenize the project is locked in the ABC, and the matching pool in the q/acc rounds is used to create liquidity pools (LPs) and bootstrap secondary market liquidity between the protocol and project tokens. The regular q/acc rounds generate demand for the protocol’s token, which is needed to participate in the rounds. By design, q/acc enables grant capital to increase demand for the sponsoring protocol’s token.

3.1 Protocol Fundamentals

Augmented Bonding Curves (ABC) and Quadratic Funding (QF) are the two mechanisms on which q/acc is based. We describe them only briefly here; additional reading is included in the references list.

3.1.1 Augmented Bonding Curves

A bonding curve describes a mathematical function that determines the price/supply relationship between two tokens and is used to distribute tokens continuously and automatically. Launched via smart contracts, bonding curves are used as automatic market makers (AMM) to provide token liquidity without the need for traditional order books or centralized exchanges.

Many DeFi protocols, including Balancer, Curve, and Uniswap, use bonding curves to exchange existing tokens. This use of a bonding curve is considered a secondary AMM because it does not issue any tokens itself but rather pairs two existing tokens in a liquidity pool that allows an algorithmically determined buy and sell price for those tokens.

In comparison, using a bonding curve to issue tokens is considered a primary AMM. These bonding curves define the relationship between a token's supply and price, allowing tokens to be distributed continuously and automatically without needing pre-existing liquidity. Funds sent to the bonding curve smart contract are stored in reserve as new tokens are issued in exchange. Those tokens can later be redeemed for the reserve token. Primary AMMs create a single-sided market, which is an innovation critical in providing liquidity for small market cap token economies. This type of bonding curve is used in protocols such as Bancor, Friend.tech, Pump.fun and others.

An Augmented Bonding Curve (ABC) is a primary AMM with two additional features: tributes and token lock. Tributes are generated from every mint or burn transaction, and channeled into a revenue stream to a designated address. Token locks are a protection mechanism for the community and can be applied to newly minted tokens.

The q/acc protocol uses the ABC as a primary AMM. The advantages include:

- automated liquidity
- on-demand token issuance
- algorithmically deterministic pricing
- dynamic token supply
- promoting fair token distribution
- incentivizing early community support
- mitigating market manipulation, rug-pulling and front-running.

The disadvantages of using an ABC include potential capital allocation inefficiency and drag on upward price momentum. The reserve pool is a critical component of a bonding curve; it enables continuous liquidity. Eventually, the reserve pool can grow into a significant amount of capital. A common criticism of using bonding curves as primary issuance AMMs is that the reserve pool capital could be put to better use by the team or community. Future research into yield-bearing reserves could mitigate this inefficiency. The ABC's drag on token price stabilizes the market for early-stage tokens but can hinder a token's later success by tightly regulating price appreciation. The q/acc protocol addresses these issues by providing a clear path to turning off the ABC when the project demonstrates, via specific key indicators, that this can be done safely.

3.1.2 Quadratic Funding

The Quadratic Funding [whitepaper²](#) by Buterin, Hitzig and Weyl describes a mechanism for applying Quadratic Voting to programs that sponsor matching contributions to fund public goods. The matching funds are distributed using a quadratic formula that factors in the number of individual contributors in addition to their donations for each project. This mechanism's strength lies in its ability to harness decentralized information as signals from individual donors to direct the matching funds proportionally to community support. The central vulnerabilities of QF are fraud and collusion; these are the target of extensive research and testing toward their abatement.

Implemented by Gitcoin in 2019 and Giveth in 2023, QF is one of the most noteworthy web3 funding mechanisms available today. Its success can be quantified by the number of projects funded, donations raised, the number of donors and matching funds allocated. Over 20 rounds of QF, Gitcoin has distributed \$54M to early-stage builders and other grantees. Giveth has distributed \$800K over 8 QF rounds to nonprofits and social impact projects.

While implementation specifics may differ, a QF grant program follows a general format: first, a sponsor provides funds for a matching pool to be distributed across projects accepted into the round. When the round opens, the community donates to the projects of their choice. When the round closes, projects receive those donations plus their allocation from the matching pool determined by the quadratic funding algorithm. Rounds are usually run every quarter.

After several years of experimentation with QF, some criticism has been raised. Projects ask for donations approximately every three months, which can burden their communities. Few projects receive sufficient funding from QF rounds to make a significant difference, leaving projects in an endless cycle of chasing the next round. Donors receive no benefits for their support, leaving them with little incentive to donate in contrast to incentivizing support by providing a stake in the project's success.

²https://scholar.harvard.edu/files/hitzig/files/buterin_hitzig_weyl_draft.pdf

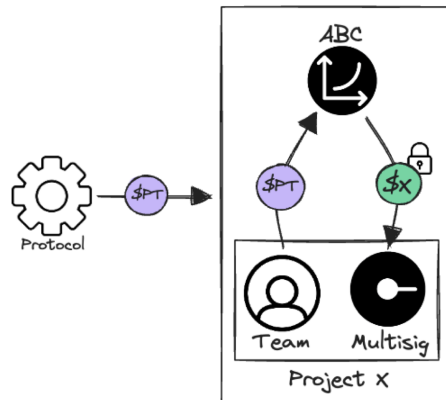
3.2 The Three Phases of the q/acc Protocol

The q/acc protocol combines the automatic liquidity, on-demand token issuance, and tribute revenue stream of an ABC with the donor-directed matching of QF to create a novel grant mechanism that allows projects a clear path to tokenization. It uses the ABC as a guardrail while building liquidity in secondary markets.

The q/acc protocol involves three distinct phases: initialization, quadratic growth, and graduation. During initialization, a project launches its ABC and grants early access rights to invited individuals. The quadratic growth phase entails a regular cadence of q/acc rounds, similar to QF, except that donors are rewarded with tokens at the end of a q/acc round, and the project grows secondary market liquidity. The last phase, graduation, is a stepwise transition away from using an ABC when the project is ready for it and towards a supply-capped token economy like many other token economies today.

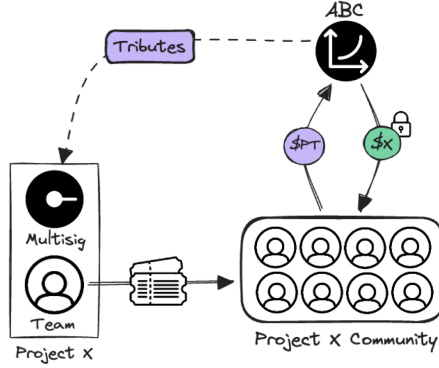
3.2.1 Initialization

In the initialization phase, projects launch their ABC using a standardized set of parameters with funds denominated in the protocol's token. The initial token supply is locked for a period, creating a price floor and preventing the team from quickly dumping tokens after launch and thereby harming token holders. Projects receive the initial token supply and steward their tokens in a multisig (though they may choose another stewarding method such as a DAO).



The project then extends special access rights to select individuals who provide distinct value and support to the team. The project may invite their own team, key opinion leaders, advisors or any other contributors. These invitees are the first to acquire the project's tokens. Access is granted via a non-transferable token, which gives the holder access to the project team via a token-gated chat and access to batch mint rounds during an early access window.

Once the window is closed, the invitees can no longer access batch mint rounds except for during the q/acc rounds.

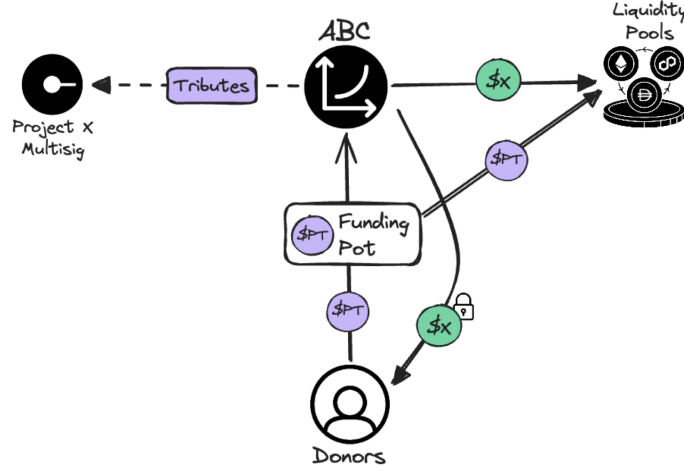


Due to the nature of bonding curves, whenever prices increase predictably with the minting of new tokens, tokens acquired earlier are priced lower than tokens acquired later. To provide an average price to all donors in the same round, a batch minting happens at the end of each round. Donors receive tokens proportionate to their donations. Although the invitees receive a price lower than donors will in upcoming q/acc rounds, it is not arbitrarily lower, resulting in a fairer distribution than token distribution methods in which the total supply is pre-allocated in advance at arbitrary prices. At the end of the early access window, the batch minting rounds end, and the ABC becomes private again. Only the project has access to mint new tokens directly on the ABC.

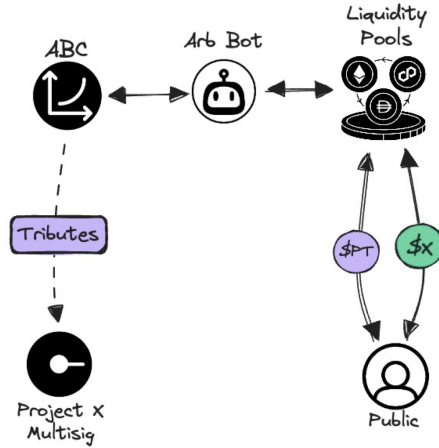
As the final step of initialization, the project enters its first q/acc round. The following section describes these rounds in detail.

3.2.2 Quadratic Growth

Once a project has completed its initialization phase, it may join any future q/acc rounds. These rounds are similar to traditional QF rounds in that a sponsor provides a matching pool to be allocated at the end of the round based on the quadratic funding formula and that they should run at a regular cadence. Unlike in QF rounds, where the matched allocation goes directly to the project along with the donations they receive, at the end of a q/acc round, the project's matched allocation is used to provision liquidity by pairing the protocol and project tokens in an LP on a decentralized exchange. Half of the matched allocation is used to mint project tokens via its ABC; these are then paired with the remaining half already denominated in the protocol's token.



Token prices in the liquidity pools on secondary markets will diverge from mint and burn prices on the ABC, to which only the project has access. Only the project has access to the ABC so the secondary market liquidity grows to dominate, enabling the next phase, graduation, when the ABC is turned off entirely, leaving the secondary market as the only market for the token. Until that happens, an arbitrage bot maintains price equivalency between the ABC and secondary markets. Arbitrage profits flow to the project or, alternatively, they can be directed toward growing the LP.



During the q/acc round, anyone may donate to the projects. At the end of the round, donors are rewarded with tokens from the projects they contributed to. Donations are combined, and project tokens are minted in one batch and distributed based on each donor's contribution to the batch. This process ensures that each donor receives an average value per token instead

of early participants in the round receiving a lower price than later participants. These tokens are subject to a token unlocking schedule to attract donors who are truly committed to the project rather than those merely speculating for profit, as well as to mitigate the incentive to exit immediately when batch minting at the end of the round creates a price jump.

Like QF rounds, these q/acc rounds are vulnerable to Sybil attacks and collusion. New techniques to resist these vulnerabilities are continuously being developed, and the latest techniques must be employed in the q/acc protocol’s implementation.

3.2.3 Graduation

The project receives all the funds in the reserve pool upon completion of the graduation phase. This capital injection arrives when their token economy has matured sufficiently enough to turn off the ABC. The ABC provides strategic safeguards during the early phases of a token’s life cycle but may eventually stymie growth in two ways: by inhibiting upward price momentum and by the capital allocation inefficiency of maintaining a large and non-productive reserve pool, i.e., funds that could otherwise be used more productively by the project.

Graduation happens in two steps: first, turning off the ABC mint function, and second, turning off the ABC entirely. Key indicators are defined for each step to ensure a safe transition off the ABC. The key indicators include the size of the reserve pool, secondary market liquidity and market cap, and the lock schedule status of the tokens issued during the initialization phase. By design, secondary market liquidity is provisioned during the quadratic growth phase, but it is worth noting that anyone can provision secondary market liquidity for the project’s token.

Once the first set of key indicators is reached, the ABC’s mint function is turned off. Turning off the mint function alone allows the token unimpeded upward momentum, while the ABC serves as a price catch that will continue to burn tokens whenever the price falls below the burn price. Burning tokens reduces sell pressure and slows downward price momentum. Should the burn mechanism be triggered, minting is automatically turned back on and will stay on until the key indicators are again reached.

Eventually, when both the first and the second set of key indicators have been reached, the ABC is turned off entirely. At that point, the project has graduated from the ABC, and it receives all of the funds in the reserve pool. With the ABC turned off, the total token supply is now fixed.

3.3 Protocol Implementation

Implementing the q/acc protocol requires a dedicated program responsible for attracting sponsors, selecting high-quality projects, and providing additional value-add to each cohort.

This includes maintaining strong partnerships, monitoring token economies, standardizing parameters, running q/acc rounds, managing infrastructure, marketing, and more. A q/acc program can create an ecosystem optimized for newly tokenized projects’ growth and success while creating new token utility and value for the protocols behind a q/acc program.

A q/acc program would be responsible for

- securing a grant from the sponsoring protocol, deploying the protocol on their desired chain, and launching the first season,
- developing value-add partnerships, such as the more traditional web3 accelerator services like marketing, mentorship and product market fit; other partnerships may include turn-key community management solutions, tokenomics analysis, and counsel on regional-based legal strategies,
- defining the program and protocol parameters, and continuously analyzing their efficacy,
- developing the program modules, organizing the sessions, planning the timeline, and coordinating internal and external stakeholders,
- preparing for the season and selecting top applications – there are limited spots possible in each cohort, so this will be a very competitive process,
- managing the season: onboard new projects, execute the program modules, support project launching ABCs, operate the first q/acc round for the cohort, manage the process to mint and distribute tokens, and create liquidity on secondary markets; coordinate with previous cohorts who are also invited to join all q/acc rounds,
- managing the infrastructure, smart contracts, q/acc round platform, and dashboards.

One issue to address is that the grant capital allocated to the project goes directly to liquidity and is barred from being spent on operating costs. The revenue streams from tributes and arbitrage profits may not cover a project’s operating expenses. It is recommended that projects accepted into a q/acc program demonstrate sufficient runway for at least 6 months. A q/acc program may build partnerships with web3 venture studios, who may offer operating capital to projects in exchange for a portion of the project’s initial token supply, which is stewarded by the project. This agreement would be similar to a SAFT, except that the tokens are already minted and temporarily locked according to the token unlock schedule.

3.4 Protocol Safeguards

Every token creation and distribution method involves risks and challenges. Implementing the q/acc protocol must include measures to mitigate foreseeable risks such as dilution of the project’s token holdings, formation of whales, fraudulent misuse of token launches, token dump schemes, Sybil attacks, and restricting participation from prohibited regions.

3.4.1 Batch Minting

This feature is necessary to provide a uniform price per token for all donors when individual donor funds are pooled together to batch-mint new tokens. Once tokens are minted, they are distributed based on individual donor contributions to the pool. Without this feature, the donation rounds would be more of a race than a round, with donors racing to mint tokens, knowing they will get a lower price than subsequent donors. The desired outcome of the round is that all donors receive a uniform price no matter when in the round they donate.

3.4.2 Token Unlock Schedule

Newly minted tokens are temporarily locked, after which they are progressively unlocked over a further period. The moment at which the tokens start to unlock is called the cliff.

The q/acc protocol integrates a token unlock schedule to

- align incentives between the project team, early access invitees, and future donors,
- allow the project time to demonstrate its long-term value proposition, and to
- thwart purely speculative actions.

Tokens minted during the initialization phase are subject to a longer lock schedule than tokens minted in the q/acc rounds. This design ensures that the project and its early access donors have a lock schedule reflecting their long-term dedication to creating value, providing the project sufficient time to showcase token utility and product market fit. Additionally, it fosters donor confidence in the q/acc rounds, preventing participants from dumping tokens at the end of each round following the token price increase after a batch minting. This feature also hampers short-term speculation, directing quick profit-seekers toward secondary markets, and it benefits those who prioritize the value being produced by a project.

3.4.3 Token Holding Cap

Holding caps promote decentralization, prevent the formation of whales, and simulate scarcity. A holding cap limits the percentage of the total supply that one individual may hold. This cap is only enforceable during ABC batch minting rounds such as the early access window and q/acc rounds, but not in secondary markets. As a simple example, with a holding cap of 2

3.4.4 Preventing Project Dilution

Project dilution is the lowering of the project's percentage ownership of the token supply. Projects that retain a majority percentage of the total token supply also retain their aligned incentives with the project's success. It is seen as a negative outcome for a project to hold a minority of its token's supply. In this way, anti-dilution is analogous to traditional

fundraising models in which teams are advised to retain a majority of the equity in their startup company.

The project receives the initial token supply and hence holds the majority of the token supply from the start. As others acquire tokens, token decentralization increases, and the percentage of the total supply held by the project decreases. The token holding cap will mitigate others becoming majority token holders. The ABC parameter “reserve ratio” influences the rate at which project holdings are diluted, but it also affects price fluctuations so parameter selection needs to balance these two factors.

3.4.5 Identity

Identity is necessary to enforce holding caps, to mitigate Sybil attacks, and to abide by the project’s legal restrictions for specific regions or entities. Q/acc protocol implementation can draw on multiple crypto-native identity solutions that provide flexible options for proving uniqueness (required for anti-Sybil and holding caps) and zero-knowledge ID verification (to maintain regulatory compliance).

4 Positive Externalities

We have discussed the q/acc protocol’s direct positive outcomes, and indirect benefits are also worth outlining.

4.1 Fair Launches

A token launch is considered fair when the cryptocurrency tokens are distributed in a manner deemed equitable, transparent, and open to the public. This contrasts with token distribution methods that unfairly privilege early participants and exclude the broader public. Token launches that exclusively distribute tokens as block rewards and are not pre-mined, such as Bitcoin, are generally lauded as fairer than those that do not because they offer equal opportunity over time and provide no sizable discount to any particular party. In contrast, today’s common token launch approach relies heavily on subjective human token distribution decisions.

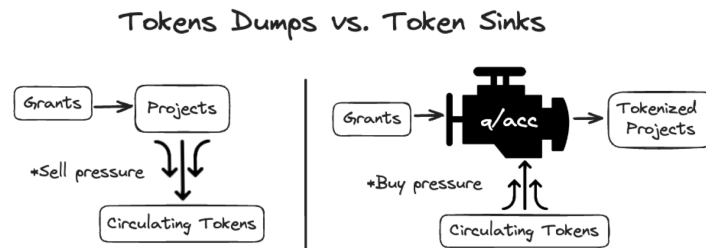
The dominant token launch playbook involves creating and airdropping a fixed-supply token to various stakeholders and creating trading pools on decentralized exchanges (DEXs). The number of tokens created at the token generation event (TGE) and the designated allocations to network stakeholders are highly subjective and prone to controversy, exposing teams to accusations of preferential treatment by network stakeholders.

The q/acc protocol addresses this challenge by replacing these ad hoc supply and distribution decisions with a transparent mechanism. Using Augmented Bonding Curves and Quadratic Funding ensures that these elements are determined programmatically and not by any

one person or group. This mechanism centrality promotes decentralization, transparency, consistency, and predictability.

4.2 Protocol Token Demand

Standard grant programs contend with token-selling pressure proportional to the size of their distributions because teams often must trade grant funds for more stable assets to ensure a predictable runway, even if they are bullish on the ecosystem. The q/acc protocol eliminates this sell pressure and replaces it with demand.



Many large blockchain protocols use their tokens for governance. The q/acc protocol creates demand for sponsoring protocol tokens by extending their utility from governance tokens to “influence tokens” because participants must use them in q/acc rounds. This utility creates demand and a token sink for sponsoring protocols by drawing tokens from circulation and locking them in a reserve pool under the bonding curve.

This pattern is significant because it counterbalances the unmitigated sell pressure accompanying traditional grant programs and allows protocols to continue incentivizing builders without driving a proportional depreciation of their token.

4.3 Capital Allocation Efficiency

Friedrich Hayek and Gunnar Myrdal won the Nobel Memorial Prize in Economic Sciences in 1974 for recognizing the significance of price as a direct communicator of information. They observed that prices function as a system of signals that guide the allocation of resources in a market economy, enabling it to adapt to changes in circumstances without central direction.

This discovery highlights how prices communicate information that no single individual or central planner could fully know or process, underpinning the value of decentralized market processes over centralized planning. This potential wealth of market information is unrealized in non-tokenized web3 capital allocation. By tokenizing more projects at earlier stages, we can quantify the real qualitative value of the projects within the ecosystem according to broader market sentiment.

These market signals can reveal, for example, projects of extreme demand and interest or that may have fallen out of favor with token holders. Viewed through the lens of Hayek and Myrdal’s analysis, every token holder is a participant in a prediction market, each bringing a unique perspective and needs to the equation. These data and sentiment are only available with price signals made possible by tokenization.

5 Conclusion

Tokenization’s benefits will see it playing an increasingly significant role. We envision a future where tokenization is safe, fair, and aligned with web3 stakeholder interests. As regulatory uncertainties are clarified and replaced with definitive guidelines, more projects will find a feasible path for launching an open, equitable token economy supported by the community of token holders.

We have introduced the q/acc protocol to address these challenges, incorporating essential safeguards as fundamental to the protocol design. Additionally, we have outlined a high-level vision for how to implement this protocol. While we have given substantial detail, we recognize that the actual implementation is likely to reveal new challenges and dynamics that will require ongoing iterations in the future development of the q/acc protocol and program.

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