



Takeaways: Web3 Grants Summit

Written by: Eugene Leventhal,
Sarah Smith, Val Elefante,
Andrei Berlin

tl;dr

On Feb 27-28, Metagov hosted the Web3 Grant Summit at the Gitcoin house in Denver. Day 1 was focused on grantees and day 2 was focused on grantors.

Some of the major areas of feedback include:

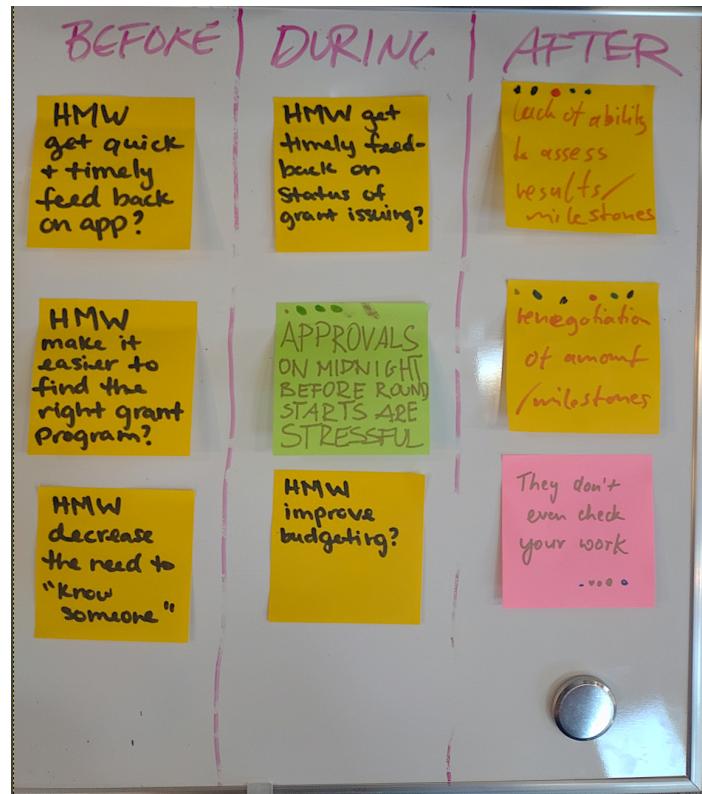
- Improving the application process
- Increasing the amount of grantee support / creating systems of support for grantees
- Ensuring a clarification of milestones and budget before work gets started
- Thinking about shared resources for grantees and grantors
- Working on improving connections across grant programs to help with more co-funding / sending grantees to the most appropriate programs
- Improving impact measurement

Web3 Grant Summit Day 1 - Discussion w/ Grantees

More than 10 grantees participated in Grantee Day, with fairly diverse representation. The projects varied widely, focusing on everything from open-source software development to the promotion of financial equity. The varied experiences of the grantees offered a wide spectrum of insights into the grant landscape.

The format consisted of a structured workshop to identify problems within 3 stages of the grant receiving process: Before, during, and post application acceptance. Once the problem landscape was explored, the grantees expressed any solutions they could think of and voted on what they would like to see addressed most. While solutions for the application process came easily, the other two stages proved difficult due to the varied methods across grant programs. Afterward, the participants brainstormed general ideas for how grant programs can improve and shared their thoughts on impact reporting.

Below are the most upvoted problems and solutions for the three stages of the grant process, along with some additional insights gathered during the conversations about each stage (note: HMW = How might we):



Before application acceptance:

- There is a lack of feedback on application: both status, as well as how to improve and resubmit before deadline
 - It would be helpful to have feedback on why their grant is not approved. This would allow grantees to move to more applicable grant programs or refine their applications for the future.
 - It would also be helpful to be able to submit an application draft for feedback before the deadline in order to refine.
- It can be difficult to find applicable grant programs.
 - It would be helpful to have a grants common app or spreadsheet, with the aims of the programs listed.
- It is difficult to find the relevant information within grant program documentation, which can be quite long and sometimes confusing.
 - It would be helpful to have a brief video overview of where to find relevant information. For example, referencing the page numbers of relevant information for certain types of grantees and different stages of the grant process.
- Many grantees feel it is necessary to “know someone” in order to receive a grant.
 - Microgrants can help new grantees in the ecosystem build trust and reputation.
- The application process is long, repetitive, and confusing.
 - What are the deadlines, when will we hear back, and what are the next steps were the most common areas of concern.

During application acceptance:

- There is a lack of feedback on the status of grant issuing. Many times grantees don't hear back for months at a time, even if they reach out to ask.
- Getting last minute approval before the round begins causes grantees a significant amount of stress.
- There is a lack of clarity around budgeting and milestone expectations, causing uncertainty about what is acceptable and how flexible the grant program will be if things end up changing across time.

After application acceptance:

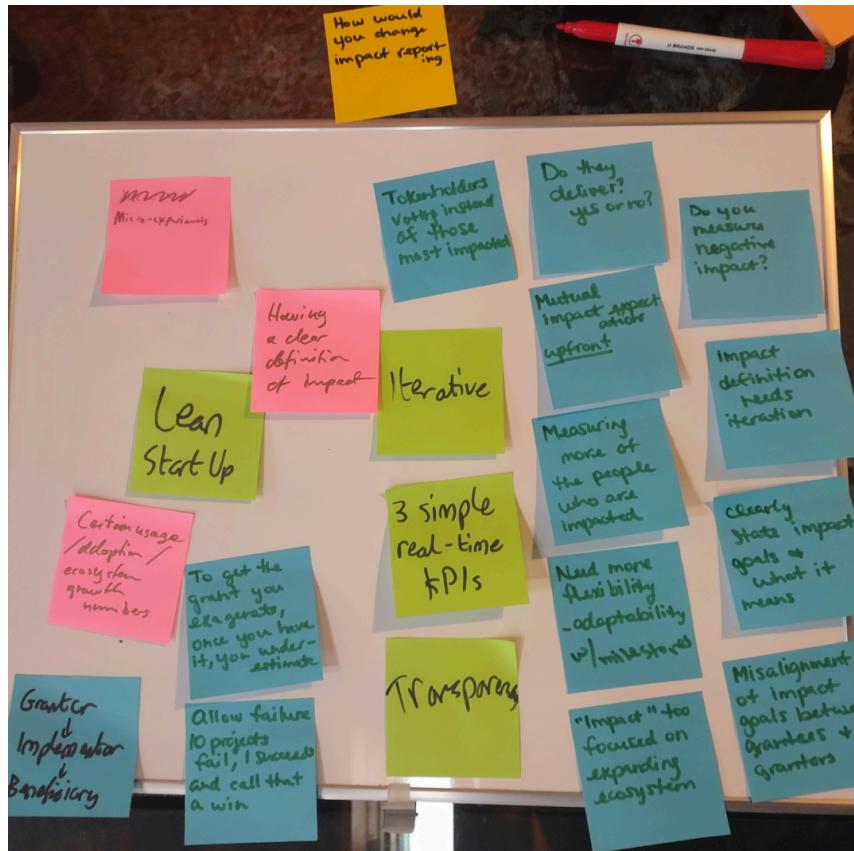
- There is often a renegotiation of the grant amount and/or milestones from the grant program.
- Many grantees expressed experiencing delays in payouts.
- There seems to be a lack of ability to assess results and milestones.
- Grantees expressed feeling like their work is not checked.
- There is a lack of consideration of taxes in the funding amount.



The most discussed broad-scale desires that were expressed included:

- Making moves toward more equitable accessibility.

- It would be helpful to include more languages for non-English natives, especially when many grant programs are aiming to help developing nations.
- Matchmaking with similar projects within the ecosystem.
 - It would facilitate collaboration.
 - It would enable new grantees to ask past grantees from a similar area of impact for feedback on whether their product meets the expectations of the grants program.
- Access to more meet and greets or online office hours.
 - An office hours interest form could decrease friction for grant programs and the office hours would help the grantees find the information and resources they need.
- Matchmaking with additional grant programs that can provide them with support.
- Having a format in which grantees can submit progress for non-judgmental and supportive feedback.



Finally, the most expressed thoughts during the conversation on impact reporting included:

- That there seems to be a misalignment between the impact goals of the project and the impact goals of the grant program.
 - Many grant programs define impact as the expansion of the ecosystem.
 - Many grantees feel pressure to alter their definition of impact in order to be funded.

- That impact should be measured according to the standards of the people being impacted (using the product, receiving the good, etc.)
 - Many of the people being impacted by impact projects do not have access to the tokens to vote with and are not consulted regarding their perspective on the impact of projects aimed toward helping them.
- That it would be helpful to have flexibility in the definition of impact.
 - It would be helpful to take on more of a start-up model, in which failure is accepted as part of the process and milestones are adaptable with necessary changes being allowed based on obstacles and learnings.
- It would be nice for there to be more transparency in impact reporting.
 - Understanding the reasons behind the funding of one project over another would help with future applications, and also in assessing whether the grant program aligns with the goals of the grantee or if they should seek a more aligned grant program.
 - Expressing impact expectations upfront would be beneficial to prevent the grantee from unintentionally falling short of expectations they were unaware of.

Web3 Grant Summit Day 1 - Discussion w/ Grantors

We had over 10 grantors join us for the first day of the Web3 Grant Summit. As part of that, we had grantors represent programs focusing on various topics such as a post capital future, micro grants, new ways of leveraging edge based wisdom, or how underrepresented communities can have more say in / own the tech that works better for them.

Once we went around and gave everyone a chance to introduce ourselves and reminded ourselves that the discussions area meant to be grounded around the grantee experience, we started talking about learning from grantees. The question of how often did those in the room and the orgs where they were representing survey or talk to grantees about their experiences and goals.

Some of the topics that came up that day included:

- Cohorting
- How to support grantees with business development / finding product market fit (more for ecosystem growth programs)
- When to invest vs when to grant
- How to generally support grantees, including how to help them feel like they belong especially if they're new to the space
- How to best get updates from grantees without taking up too much of their bandwidth but getting enough info to justify issuing the grant to their community

Let's run through what we are talking about, at least at a high level.

Cohorting

Cohorting could be beneficial for grantees to have clear peers to help with things ranging from onboarding to feeling welcome. Cohorts could also come with their own requirements, such as spending time with others, partaking in group calls, or other commitments. This can make it more prohibitive for those with more serious time constraints.

Another factor that played a big part in the experience was the volume of grantees, how much the voting process made things feel like a popularity contest, and how accessible the grant operators (or someone from the team in general) were.

Business development support

The idea of how grant programs can incorporate accelerator style thinking (at least from the perspective of what other knowledge bases would be helpful for this grantee to tap) in terms of the support provided to grantees. This is definitely beneficial, but the main challenges around doing this well center around the operational overhead of providing such support and having the right talent on hand to provide this support.

Investing vs Granting

The idea came up that some grantees, especially those who are further along and are more focused on longer-term sustainability, might prefer investments over a grant. A potential concern of thinking of projects too much from a VC perspective came up, as this might start limiting the scope of what to grant (especially in the context of public goods).

Belonging

One comment that came up that day that really stuck out to me was the importance of maintaining a focus on joy as part of the grant program. If grant programs are empowering people to work on projects they're passionate about, there could be a lot of positivity and excitement around the work, which could in turn both make it a more pleasant experience for all and lead to better outcomes overall. It's also important to think about what kind of digital and physical spaces are being set up and to think about how to make them as accepting as possible for those coming in who are new or may not feel comfortable for a variety of reasons.

Reporting

Reporting is something that can take a lot of time and be distracting without providing guarantees of quality outcomes, while taking away time from focusing on the activity that is being granted for in the first place. On the flip side, some level of reporting is definitely needed to ensure that funds were spent the way they were supposed to be spent and to get a sense of the outputs and outcomes that resulted from the funded activities. The idea of trying to think about the lightest weight reporting that achieved that goal was something on the mind of many and yet it was very unclear where that line was drawn.

One specific idea was that, once trust is in place, to strongly limit the reporting and to focus on building deeper relationships with the grantees to more directly interact with the results of the funded activities vs just requesting more reporting.

Support deep dive

- When / how to best connect grantees
- Create shill spaces for grantees, especially in quadratic funding environments
- How is it possible to give grantees a chance to be grantors and building connection / solidarity between the two groups
- Understanding the other types of support grantees need and how to best provide them - development, auditing, business, legal, etc.
- How to help grantees connect with other funders when your org isn't the right place to fund them
- How to help coach them through the journey of working on a new project

One other thing that came up was the fact that a group like Metagov can coordinate certain resources that would be beneficial, such as:

- List of lists of grant programs
- Reading list for topics such as impact measurement or how to put together a successful grant
- Creating a template for and space to discuss grantee oriented events to generally help make them more effective

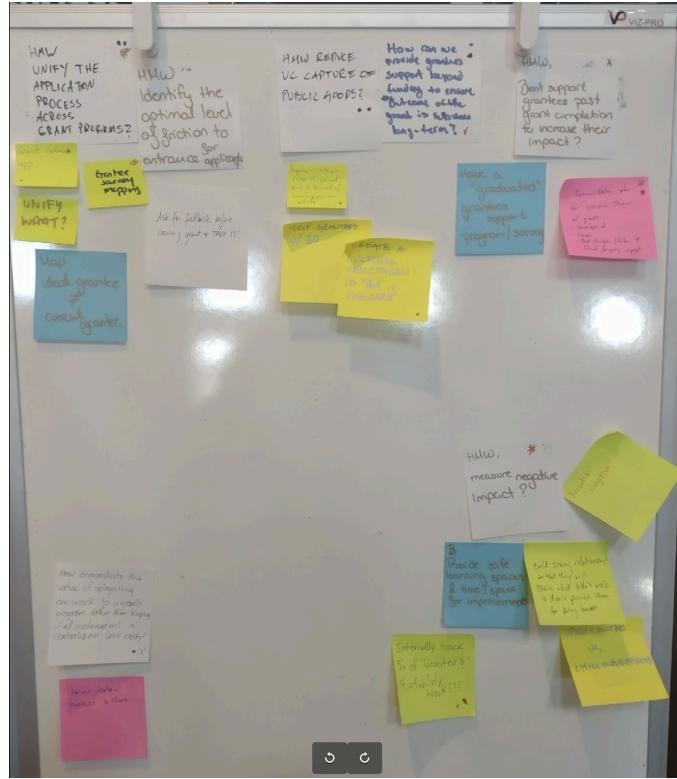
Web3 Grant Summit Day 2 - Grant Operator Day



After introductions, this day consisted of a facilitated session exploring potential improvements to the grants landscape, then was followed by breakout sessions addressing coordination and impact measurement. The participants were primarily from the web3, but web2 grantees/grantors were also present.

The facilitated session with Andrej and Sarah from Deep Work, focused on surfacing a wide range of problems, exploring potential solutions, and having the participants prioritize what they believe to be the most feasible and desirable to address first. Once this information was gathered, participants indicated any area they were interested in collaborating on.

Below were the most upvoted problems and proposed solutions:



- How might we unify the application process across grant programs?
 - Grants common app
 - Grantee journey mapping
 - Highly adopted reputation platform
- How might we best support grantees past grant completion to increase their impact?
 - Communicate plan for various stages of grant: development, launch, post-launch/follow up, final/ongoing impact
 - Help grantees with BD
- How can we provide grantees support beyond funding to ensure the outcome of the grant is sustainable long-term?
 - Cross program grantee training and on boarding into web3
- How might we reduce VC capture of public goods?
 - Create the expectation to pay it forward. If you raise vc, pay it forward with launching your own grants
- How might we create meaningful impact measures that are not qualitative:
 - Clearly define desired outcome and translate to metrics
 - **Erin O'Connor**
- How might we measure negative impact?
 - Internally track % wasted money - publicly track?
 - **Lau Na Hu, Brennan Mulligan**
- How might we map the different types of grants to different stages of framework's development:
 - Map grants to the project cycle roadmap

- **Ben from Pokt, Erin O'Connor, Rodrigo, Brennan Mulligan, Lau Na Hu**

- How might we demonstrate the value of delegating dev work to a grants program rather than keeping it all contained within a centralized labs entity?
 - Make sure technical experts know them - PR & easier for references
 - **Brennan Mulligan, Rodrigo**

After the session, we used this exploration in a breakout group discussing coordination.

Topics that came up in the coordination discussion included:

- How to share maturation pathway for both granting org and for grantee
- Idea of priorities for grantees, mapping the grantee journey
- Create a shared database or resource across grant programs with data on grants
- Grant operator directory
- Documenting successful collaborations across programs, including the features of the program and how it came about
- Where is the right place for friction - discovery or application
- Coordinating with grantees and better understanding the relationship between the granting org and the grantee

Of these topics, we first dove into the idea of a grant directory. Some of the points that came up were:

- Idea of having info on the program, a point of contact, funding domains, type of grant mechanisms used, who oversees / holds the grant program accountable (foundation, DAO, etc.)
- How to avoid it being a source of grant farming?
- What is the point of friction for grantees - discovery or the application?
- Who would maintain it and what would be their incentive?

Through this conversation, we started to discuss whether its possible to have a grants operator group for collective sensemaking on similar topics:

- Important to have the right culture around this group - no shilling, no vendors
 - Have clearly communicated and consistent community guidelines and alignment on basic assumptions such as confidentiality, trust, etc.
- Can be gated by attestations that expire
- Compensation for whoever manages it (membership contributions)
 - Tokens contributed to support this to have skin in the game. If the valuation grows over time it makes the group more powerful. They never pay attention to foundations they don't have skin in the game. Almost a grants ops manager dao.
- Include a variety of types of interactions and touchpoints
 - Important to have alignment of intentions and desired outcomes
 - What is being optimized for? The more transactional, the less trust building needed. The more collaborative, the more things like IRL meetings might be helpful.

- Boundaries of alignment should be defined

We also got into the question of grantee support more. As part of this, we talked about:

- Providing a consistent experience for grantees
 - Operator isn't always the reviewer so timetables can be unpredictable. How to still give grantees a consistent experience
- How to get more reviewer support for grant programs
 - The recommendation to involve external reviewers or assign micro-tasking roles to the community was proposed.
- Do you help teach new grantees about general infra for their startup?
 - Does not helping them self-select for more mature projects?
 - Do we reward those that do will the very first time?
- How to do microgrants without accidentally spending too much time on the very beginning of a project with no follow through.

Finally, we explored the need for grant programs to define their ideal relationship with grantees:

- Is the program primarily only looking for projects that produce great products? Does the program want active contributors who provide helpful feedback? Both?
- How to move on from purely financial to a relationship, avoiding the relationship being purely transactional?
 - To do that requires consistent community management because setting that standard and not falling off is almost worse than never setting it at all.
 - What is the overhead and ability to meet it with the resources available?
- Should there be a council of grantees? How do you grant representation to grantees to increase decentralization and decrease capture?

Impact

After a break, we got into a discussion about impact measurement to finish off the day. The first thing that came up was that there is no silver bullet when it comes to measuring impact.

As part of this topic, we got into:

- The right way to segment / categorize grants
- How to present narratives about the program and grantees
- The fact that impact is used to mean different things. Might make sense to break it down into - assessment, evaluation, learning, impact
- Considerations when defining impact
- Where to start with impact measurement

First we discussed how to adequately define impact, with the understanding that there is no one-size fits all solution.

- It's important to consider the time scale of impact - it doesn't happen overnight.
- Impact is used in so many different contexts: Are you doing assessment of how good of a job or how much impact on the ecosystem, evaluation, learning, and social impact.
 - The tools will be different for each

- There is potential danger in diluting the language:
 - Many impact programs are also engaging in vc behavior. For example, building the ecosystem. What is the output (what you pay for - easy to measure - did they do it?) vs. impact (assessed at the social level)
 - There may need to be a two layered approach in grant evaluation. Need to separate kpis and impact measurement

Afterward we delved into measurement:

- Many grantees aren't familiar with how to present their own results which makes valuation difficult.
 - Its helpful to teach grantees how to write about their impact. For example, making sure it's clear that they are expected to be provided in real world results.
 - This can start in the application process by asking grantees to define potential impact and timelines (and supporting them in making sure the goals are realistic).
 - Additional questions that can be helpful are: "How do you define and measure success for your project?" and "What are your plans after the grant?"
 - It helps to outline specific KPIs with grantees and set expectations. Good feedback will help grantees grow.
 - There are common threads between programs. Are there metrics they can agree on that grantees can use for the standardization of data?
 - Web2 had the same situation at first and might be able to provide some useful examples.
 - There have to be incentives for grantees to measure. Retropgf can provide this.
- Define ahead of time the metrics, rank, and then determine impact after if they met the goal.
 - Reassess accordingly: if they didn't meet the goal, was it too short of a timeline, a bad investment, or simply poor communication and they never promised to deliver the results?
- Measurement is part art and part science. There needs to be enough adaptability to accommodate things that fall outside of the general outline.
 - What happens when output requirements are meant but the outcomes don't follow?
- It might be helpful to think about what you want and need from a grant program, and then thinking about impact from there
- Participants expressed wanting to root programs in humanity and growth
- The topic of how to integrate sequenced / phased grants with impact measurement was briefly mentioned.

Next steps

- Create a reading list of impact measurement resources

- Create a list of grant operators
- Exploring gating function for a list of grant operators
- Get input from the grant operator community
- Make sure that operators are on the quarterly call
- Start planning a grantee day in CC (including open office hours with various grant programs)
- Start planning a grant operator getaway for Devcon and interaction in CC
- Plan a virtual day for first time grantees
- Plan a virtual day for follow on grantees