

ENS Public Goods: Rethinking Our Funding Impact

Introduction

The ENS Public Goods Working Group proposes an evolution in our funding approach for 2025. We can amplify our impact on Ethereum's core infrastructure while maintaining our successful Builder Grants program.

This document outlines our vision for:

- Scaling our funding impact beyond small-to-medium grants
- Exploring new allocation mechanisms beyond traditional direct grants
- Creating meaningful partnerships that extend our reach and expertise

Current State and Challenges

Our Builder Grants platform has successfully provided accessible funding to numerous projects across the Ethereum ecosystem. However, we've identified several limitations in our current approach:

1. **Limited Impact Scale:** Most grants are relatively small (0.25-2 ETH), making it challenging to support larger infrastructure initiatives.
2. **Evaluation Challenges:** While we carefully review applications, measuring the long-term impact of these smaller grants remains difficult.
3. **Allocation Efficiency:** Our current overhead costs may not be optimally aligned with the impact generated through small grants alone.
4. **Addressing Ecosystem Gaps:** Areas like developer tooling, dependencies, and core infrastructure remain underfunded despite their foundational importance.

Strategic Evolution

We propose a dual-track approach that preserves what works while expanding our capacity to drive greater impact:

1. Builder Grants Program (Continuing)

We will maintain our Builder Grants platform as an accessible entry point for projects seeking smaller funding. This program will continue to provide:

- Low-barrier access for new builders
- Rapid funding decisions
- Support for a diverse range of public goods initiatives

2. Strategic Grants (New Direction)

We propose developing strategic initiatives focused on foundational infrastructure alongside our existing grants. These would be characterized by:

- **Larger Funding Amounts:** Providing substantial support to initiatives that require more significant resources to succeed
- **Internal Expertise Utilization:** Leveraging the expertise of our elected stewards rather than outsourcing key decision-making
- **Focused Impact Areas:** Targeting underfunded yet critical areas such as developer tools, core dependencies, and infrastructure
- **Measured Outcomes:** Establishing clear criteria for success and impact measurement from the outset

Potential Approaches

We're open to exploring mechanisms beyond traditional direct grants that could improve funding allocation. Examples that we are excited to explore include the following:

- **Guild-Inspired Approaches:** Learning from Protocol Guild's successful model for funding protocol developers, we're exploring whether similar approaches could be adapted for other areas of Ethereum infrastructure. Unlike traditional project funding, guild models focus on supporting people and teams who maintain critical infrastructure.
- **Retrofunding/Results-Based Funding:** Allocating funds based on proven impact after delivery, similar to Optimism's Retroactive Public Goods Funding approach, but with improvements that address known challenges in those systems.
- **Prediction Markets for Public Goods:** Exploring how specialized prediction markets like those in the Futarchy model might help allocate funding more efficiently by leveraging collective intelligence about expected outcomes.
- **Deep Funding:** Investigating AI-augmented funding approaches that can identify valuable dependencies and underlying infrastructure that might otherwise be overlooked in traditional grant processes.

Why This Matters to ENS

As a cornerstone project in the Ethereum ecosystem, ENS depends on and contributes to the health of the broader infrastructure. By evolving our funding approach:

1. We strengthen the foundation on which ENS itself is built
2. We position ENS as a leader in sustainable public goods funding

3. We potentially create alliances across the ecosystem rather than operating in silos
4. We ensure our resources generate the maximum possible impact

Next Steps

We invite the ENS community to join this discussion about evolving our approach:

1. **Discussion Period:** We welcome feedback on this concept through Apr 20, 2025
2. **Research Phase:** We'll investigate potential mechanisms and partners in more detail
3. **Pilot Proposals:** By the end of May 2025, we aim to propose specific initiatives for consideration
4. **Implementation Timeline:** Initial pilots could begin as early as Q3 2025 if approved

Conclusion

The ENS Public Goods Working Group has an opportunity to rethink how we support the broader Ethereum ecosystem. As elected stewards with deep expertise in public goods, we can leverage our knowledge to make more impactful funding decisions while improving the efficiency of our operations.

By maintaining our accessible Builder Grants while exploring more impactful strategic initiatives, we can more effectively fulfill our mission while ensuring the continued flourishing of ENS and Ethereum.

We welcome your thoughts, feedback, and suggestions as we develop this vision.