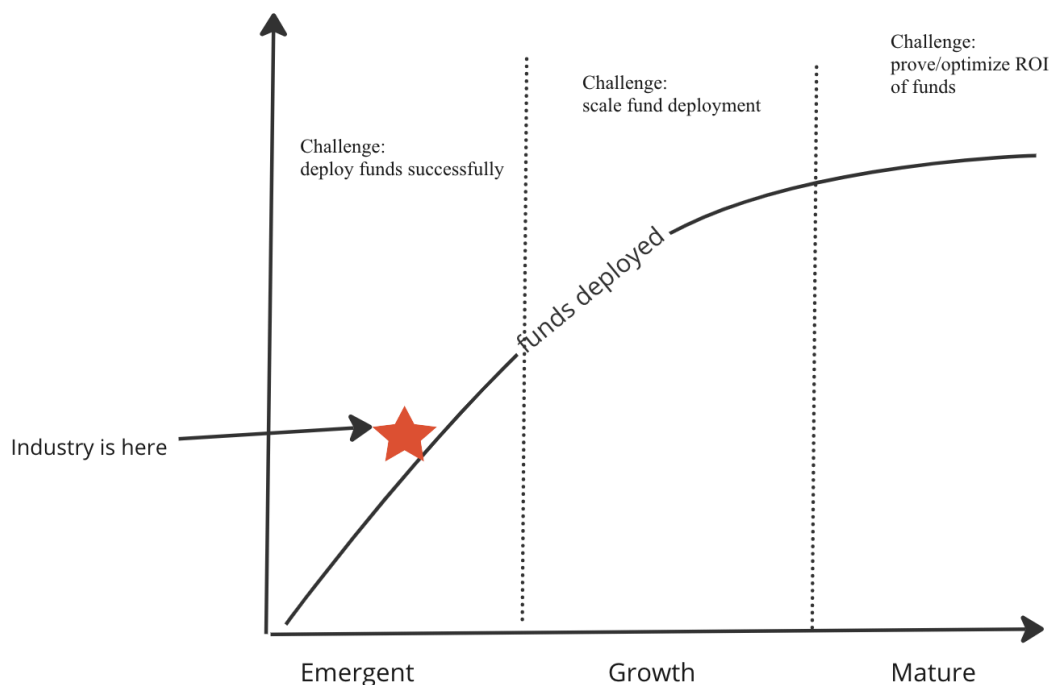# Gitcoin Grants Stack – Product Vision

September 2023

Grants are a key growth mechanism for most web3 ecosystems. They exist to fund projects and builders which will ultimately drive adoption, transactions and user volume on the network/dApp. These projects/builders can be both public goods and/or for-profit ventures – both play key roles in ecosystem growth.

Grants programs in Web3 play a slightly different role than traditional non-profit or governmental grants. Though both are mission-focused, grants in web3 also serve a business growth role. Grants programs deliver value back to an ecosystem through financial benefits from the outcomes of completed grants. In this way, they function a bit like community-oriented investment projects – where groups of stakeholders (rather than executives or VCs) determine what is worth funding.

Gitcoin is best known for our development of public goods funding through grants, and the organization has a great brand and expertise in this industry. We have an amazing opportunity to harness our learnings from running grants programs and our networks of donors and builders to make grants programs across web3 successful – which will in turn power the growth and thriving of web3.

Though grants are a key industry in Web3, most grants programs are still very early and immature. We will lead the development of this industry to make it more impactful by continuing to run our own programs, developing close partnerships with other leaders in the space, and developing products that move the industry forward. Our offerings will evolve as the grants space evolves and we will continue to develop products and tools that drive growth and fuel builders.

The grants market:

Product Vision - 2 year focus

We will empower anyone in the EVM ecosystem to create, manage, and grow ==*successful grants programs.*== By doing so, we will enable the growth and thriving of the EVM ecosystem itself.

We accomplish ==*grants program success*== by:
- Engaging communities in donating to grants, grants needs & decision-making
- Creating networks of the best and brightest builders
- Providing transparency and accountability into grants decision-making
- Measuring & improving efficacy and impact of grants programs

What is our product value?

Gitcoin Grants Stack strives to be an enterprise-grade product that will allow us to serve and grow with the emerging grants market. Our most valuable customers are big grants spenders that look to us to provide stability and success for their programs. Some of these customers also come to us for additional support on compliance, KYC, and related issues which we have not yet prioritized solving in product (though may in the future.)
- Trust & reliability
  - Your funds are SAFU
  - We work to minimize bugs and create high uptime standards
- Expertise
  - We know grants better than anyone else, and we will use this knowledge to guide our customers to create programs that are the best use of their resources
- Transparency
  - We build on-chain to maintain high standards of transparency and trust with our users
- (It's All) Coordination
  - Grants programs require heavy coordination between grants managers, builders, and communities – not to mention all of the tools and processes that they each use. We strive to make this as seamless as possible through automation, transparency, and modularity in our product that allows for optimal coordination.

What's in front of us (0-9 mo)

In our research and demos, grants managers have articulated two factors that make their grants programs successful (below.) Nailing these success factors will accelerate product adoption.
- Engaging communities in donating to grants, grants needs & decision-making
- Activating networks of the best and brightest builders

We have been investing for the past ~2 months in engaging communities through making the donor experience more engaging, and will continue to do so. These projects have/will include multi-round checkout, matching estimates, explorer redesign, and project discovery.

Direct grants offer the opportunity to activate and fund the best builders. We can build (or leverage) project registries, previous funding data, and reputation to help projects identify builders who would be great fits for their needs, or weed out fraudulent/spam applications. The project registry in Allo v2 could be a key enabler of this capability. Additionally, we could activate builder networks through referral fees or attestation of

accomplishment at the end of the grants cycle. We also know that we currently have friction in the builder product and application experience that we will work to address.

Opportunities ahead (9-24 mo)

We'll continue to invest in engaging communities and builders throughout the product life cycle. We believe that nailing those first two criteria are key steps in taking grants programs from emergence -> growth stages. As we establish success in those, we have the opportunity to:
- Provide transparency and accountability into grants decision-making
- Measuring & improving efficacy and impact of grants programs

Lack of transparency and accountability has doomed countless grants programs, and in order to thrive in Web3, we should tackle this problem using our advantage of operating on-chain. Not only does this make the data easily verifiable, it's easily accessible to the wider community, allowing many builders outside the core team to contribute to this mission. As grants programs scale, the governing body needs this transparency and accountability to ensure confidence that funds are being used well and accountability is high. There are many ways we might accomplish this – some thought starters below.
- Grants program public dashboards: view pipelines, funding projects, rationale for funding decisions
- Funder accountability: intro DG/QV/badge holder programs that track decision-making and engagement of funders (like gov delegate models.)
- Attestation or lightweight project completion metrics

As grants programs scale, they need more robust rationales than "proliferating the meme" or "funding builders" to justify their existence and actually have impact. I think this is where introducing different mechanisms that are targeted to producing specific outcomes can be impactful. Additionally, we should leverage/partner with programs that are working on impact measurement and incorporate these into our builder networks.