But Why PGN? One Builder's Opinion

Have you ever wondered "so where does public goods funding actually come from"?

Those who are the deepest involved in public goods funding have also wondered this, and [written](#) [extensively](#) on how funding for public goods, as well as [open source projects](#) generally, might be sustainably resourced.

Having spent over a decade in the world of nonprofits and NGOs, I am very familiar with traditional funding mechanisms: tax breaks, 501c3s, corporate giving, b corps, grants, endowments, etc. I am also very familiar with the waste, bureaucracy and mismanagement that accompanies these traditional methods.

This is why I believe PGN is a critical next step in the development of onchain public goods funding.

PGN is a public good itself. It is a mechanism for generating legitimate, recurring and bountiful funding for public goods *at large*. It is also a digital schelling point for those interested in building and funding public goods more broadly. PGN generates funding through network sequencer fees, while providing an affordable, efficient L2 for onchain builders to deploy projects for public goods and beyond.

PGN offers the convenience and uniformity that will come via OP Superchain compatibility and interoperability. As adoption of the Ethereum ecosystem expands, there is a need for affordable alternatives to settling transactions on Eth mainnet. Optimism stack L2s are a viable alternative to mainnet with increased throughput (via faster block times) and lower fees (via less demand for blockspace) required to attract and retain a new wave of users.

PGN is the only network that has committed to directing the vast majority of sequencer fees back to funding broad public goods – ensuring there is sufficient funding for our open source ecosystem, and beyond, in perpetuity. For most networks, sequencer fees are returned to network investors, developers and, if a DAO exists, the L2 community. While this may include funding public goods *within* those ecosystems, the impact does not often extend beyond this narrow scope.

PGN does not limit its definition of public goods to one network or community. We embrace the [ongoing discussion](#) on what public goods are, and whom they should benefit. We believe that PGN is a schelling point for these discussions and the perfect place to advance future thinking on public goods.

PGN is being bootstrapped and launched by Gitcoin and other public goods organizations in order to establish a *shared* sustainable revenue source. Governance will ultimately be decided by those involved in building and early adoption. Decisions on distribution of fees will be made by this broad community of network supporters and won't be limited to the Network itself.

The Public Goods Network is thus an L2 option that is transparent, open and shared, working to generate legitimate, recurring and bountiful funding for Public Goods *at large*.

So what's next for PGN?

PGN is built by a small team, anchored in Gitcoin, with collaboration from an ecosystem of Alliance members and partner organizations. Despite the limited resources, the PGN team has advanced development on key core primitives to ensure that the Network is an effective and welcoming choice for developers, and accessible and functional for frontend users. This has included deploying DAI, USDT and, soon, USDC, working with Goldsky to enable subgraphs, Layerswap, Superbridge and, soon, LayerZero to provide affordable and smooth bridging, and dApps like jokerace, Zora and Guild to build and engage onchain. 14k wallets and 484 ETH cumulatively have been bridged. We still have work to do.

Governance on how to define which public goods PGN will fund, how this will be decided, and by whom, will begin in 2024, six months after PGN initially launched. But before this, we must generate funds to govern. **PGN will ONLY be a success if we attract a sufficient volume of onchain activity to generate sustainable network sequencer fees that result in positive revenue for public goods funding.**

[Many](#) [people](#) [have](#) [theories](#) on what an L2 endgame looks like and I tend to think it will be both that: L2s *will* abstract away and lose their differentiation, most users will not care, or even know, what L2 they are on, or even that they are on an L2 - and yet - we still have the potential to build inline with our values. **The crypto adoption journey has been an ongoing tension between aspirational values and consumer-friendly practicality. *Building on PGN allows you both*.**

By choosing an L2 that is interoperable with other EVM and OP chains, that is transparent vs opaque, open vs closed and shared vs gated, you and your users can contribute to a world of digital public goods that will need to transcend networks, governments and borders. Your DAO may be incorporated in the Caymans or BVI. Your contributors may be spread across 10 different countries. Your users may hail from all seven continents. But each of us will benefit from a world with legitimate, recurring, bountiful public goods funding for our collective public needs.

PGN is a natural evolution in exploring how we generate funding in the digital realm for public goods. As our work and social lives transcend physical boundaries, so too will we need to extend our thinking beyond traditional public goods funding models. PGN is a first step in this process.

PGN is committed to continuing technical development to ensure that the key infrastructure that developers need is available and functional. The most requested next steps have been complete SAFE deployment and the addition of a dex, both of which we are actively advancing. We are hosting [biweekly builders' calls](#) to highlight new deployments and allow builders to learn and collaborate with each other. [Our telegram](#) is the best way to get in touch and stay updated, and our dm's are always open if you are wondering how you can get involved or find out how to deploy to PGN.

This is why I'm building PGN. What do public goods mean to you, and how do you think they should be funded?