

CRAFT ECONOMY BRIBE MODEL

- EXP delegators will vote for proposals on where to distribute CRAFT ‘incentive’ pool to.

-
- A variety of entities will want CRAFT incentives including: validators, guilds, protocols, and NFT projects.
 - Validators will want to receive CRAFT to reward their delegators with.
 - Guilds will want to receive CRAFT to further their progress in-game.
 - Protocols will want to receive CRAFT to use for in-game incentives, such as paying to market their protocol.
 - NFT projects will want to receive CRAFT in order to bring their users in to a metaverse environment, and reward their holders.
 - While it’s easiest to separate these entities into different categories, it’s important to remember that many of these entities will likely be involved in two or more of these categories. That’s to say that guilds will likely also be validators, etc.

-
- Because bribes will be sought after by so many different entities, we expect to see a wide variety of bribing strategies, to incentivize DAO members (EXP holders) to vote for their proposal. Some of these include:
 - Giving NFT’s or whitelisting to the wallets that vote for the proposal.
 - Giving tokens to the wallets that vote for the proposal.
 - Giving liquidity incentives if the proposal passes.
 - Giving in-game rewards, royalties, and more to wallets that vote for the proposal.

-
- It's important to separate a few things, firstly this isn't the same as the inflation pool. Second, these are not the same as governance decisions that include upgrading the chain, or other. These are rather once monthly vote locked proposals.
 - From a technical perspective it may make sense to have it as a completely separate system/chain/side-chain. Tbd
 - The incentive pool will be funded initially at genesis, but will continue to be funded (if voted on) through governance decisions. The new CRAFT will likely come from the taxes and other revenues generated by Craft Economy.
 - The structure is still TBD. But here is a rough draft:
 - Once a month the incentive proposals will be opened. Each month a fixed amount of CRAFT tokens will be available in the total incentive pool. This amount should likely scale down linearly, but that is up to governance.
 - Each EXP vote will be correlated to a specific amount of CRAFT tokens. For simplicity, if there is 10,000 EXP in total circulation, and 100,000 CRAFT available for the monthly incentive pool that means that every "vote-locked" EXP will reward the proposing wallet with 10 CRAFT tokens.
 - This means that a user may only vote for a finite amount of proposals per month, though they may split their vote across as many pools as they choose to.
 - If there is a discrepancy between circulating EXP supply, and total vote locked EXP (vEXP) the respective CRAFT incentive will be refunded to the incentive pool. (rather than making every EXP vote worth more effectively).
 - There should likely be a proposing period of 7-10 days, and a voting period of the remaining days -1 (so that the bribes can be distributed).

- This gives all proposals a fair chance of being seen before users begin voting, and also gives voters a chance to vote confidently knowing that no other incentive proposal will be posted until the next vote locked period.
- To propose an incentive proposal the entity will pay a fixed amount of CRAFT (tbd) that will not be refunded regardless of the result. Unlike a governance proposal, which will be paid for with EXP, and refunded so long as it's not vetoed.
 - This will discourage entities from posting poor proposals, but also won't effect entities proposing good proposals. Even though it won't technically be refunded, it will be 'paid for' so long as it receives a reasonable amount of vote locks. Plus it generates more revenue for the DAO.