

I see many proposals to reward this or that pair using UNI. I still haven't seen anyone propose something like this so here it goes:

The proposal is to direct a small % of the switch fees to fund a project that protects LP's from Impermanent Loss, or at least mitigate it (for example, there is a solution using oracles to correct the prize instead of allowing the arbitrage opportunities) . If this works, it would be much more efficient than directly rewarding every LP for each pool for taking such risks.

And of course, if LP's decide to use the uniswap exchange without this option, they would still be able to.

I'd love to hear your thoughts on this.