February 2024 Update

The monthly Governance recaps are a compendium of key governance updates for the preceding month. The February recap is Boardroom's second Monthly recap following our commencement of this update in January. Below, we have summarised all the important happenings in Governance and forums for the Aave community.

Report Contents

1. Project Status

2. Insights and Observations

3. Community Dynamics

4. Voting Metrics

5. Challenges and Opportunities

6. Conclusion

I. Overview

A. Project Status

- Current Phase: Implementation

- DAO's ongoing primary goals for this period:

- Management and optimization of the Protocol:

Proposals from key stakeholders and service providers, including BGD Labs, Chaos Labs, Karpatkey, and Tokenlogic, ensured that the protocol functioned in the best form.

1. Expansion into New Markets

: While Chains continues to show interest in Aave integration, a larger focus this month was on the deployment of new assets and markets for Aave. Notable among them were gmBTC and gmETH, rsETH, weETH, and more. This diversification of assets is part of Aave's strategy to broaden its service offerings and appeal to a wider user base.

1. Emission Management for Growth and Engagement

: Proposals were set forth to appoint various entities as emission managers for incentives related to Aave pools and chains, aiming to stimulate activity, attract more users, and align with the broader goals of the Aave community.

1. Governance and Community Engagement Improvements

: Initiatives like the establishment of the Aave Protocol Embassy (APE) and proposals for technical maintenance indicate a focus on enhancing governance structures and community engagement. These efforts are directed towards streamlining operations and empowering the Aave governance process, ensuring that it remains transparent, inclusive, and efficient.

- Management and optimization of the Protocol:

Proposals from key stakeholders and service providers, including BGD Labs, Chaos Labs, Karpatkey, and Tokenlogic, ensured that the protocol functioned in the best form.

- Expansion into New Markets

: While Chains continues to show interest in Aave integration, a larger focus this month was on the deployment of new assets and markets for Aave. Notable among them were gmBTC and gmETH, rsETH, weETH, and more. This diversification of assets is part of Aave's strategy to broaden its service offerings and appeal to a wider user base.

- Emission Management for Growth and Engagement

: Proposals were set forth to appoint various entities as emission managers for incentives related to Aave pools and chains, aiming to stimulate activity, attract more users, and align with the broader goals of the Aave community.

- Governance and Community Engagement Improvements

: Initiatives like the establishment of the Aave Protocol Embassy (APE) and proposals for technical maintenance indicate a focus on enhancing governance structures and community engagement. These efforts are directed towards streamlining operations and empowering the Aave governance process, ensuring that it remains transparent, inclusive, and efficient.

- **Milestones Achieved:**

- Renewal of Key Proposals and Programs

:

- The Orbit program's renewal proposal passed the Temp Check on Aave Snapshot, emphasizing the maintenance of gas rebates for specific proposal actions and transparent tracking of gas expenditures. This renewal supports delegate engagement and the impact within governance activities.

- The Orbit program's renewal proposal passed the Temp Check on Aave Snapshot, emphasizing the maintenance of gas rebates for specific proposal actions and transparent tracking of gas expenditures. This renewal supports delegate engagement and the impact within governance activities.

- Advancements in Risk Management and Protocol Optimization

:

- A proposal addressing the full deprecation of the stable rate option in Aave V2 and V3 was introduced following a critical bug report related to stable borrow rates. This initiative aimed at transitioning all user positions to variable rates, marking a critical step towards enhancing the protocol's security and efficiency.

- A proposal addressing the full deprecation of the stable rate option in Aave V2 and V3 was introduced following a critical bug report related to stable borrow rates. This initiative aimed at transitioning all user positions to variable rates, marking a critical step towards enhancing the protocol's security and efficiency.

- Introduction and Support for New Assets

:

- The community considered proposals for adding new assets such as gmBTC, gmETH, and weETH as collateral assets across various Aave markets. These proposals aimed to diversify Aave's asset offerings and enhance liquidity, showcasing the protocol's commitment to growth and adaptation.

- The community considered proposals for adding new assets such as gmBTC, gmETH, and weETH as collateral assets across various Aave markets. These proposals aimed to diversify Aave's asset offerings and enhance liquidity, showcasing the protocol's commitment to growth and adaptation.

- Emission Management Proposals

:

- Several proposals concerning emission management for different markets and chains progressed to the Snapshot stage, highlighting the community's active role in defining and funding incentive programs to promote growth and user engagement across the Aave ecosystem.

- Several proposals concerning emission management for different markets and chains progressed to the Snapshot stage, highlighting the community's active role in defining and funding incentive programs to promote growth and user engagement across the Aave ecosystem.

- Service Provider Updates

:

- Service providers made significant contributions through technical maintenance proposals, risk management updates, and recommendations for optimizing the protocol. These updates are crucial for maintaining the protocol's efficiency and security, underlining the importance of ongoing partnership and expertise within the Aave ecosystem.

- Service providers made significant contributions through technical maintenance proposals, risk management updates, and recommendations for optimizing the protocol. These updates are crucial for maintaining the protocol's efficiency and security, underlining the importance of ongoing partnership and expertise within the Aave ecosystem.

- Renewal of Key Proposals and Programs

:

- The Orbit program's renewal proposal passed the Temp Check on Aave Snapshot, emphasizing the maintenance of gas rebates for specific proposal actions and transparent tracking of gas expenditures. This renewal supports delegate engagement and the impact within governance activities.

- The Orbit program's renewal proposal passed the Temp Check on Aave Snapshot, emphasizing the maintenance of gas rebates for specific proposal actions and transparent tracking of gas expenditures. This renewal supports delegate

engagement and the impact within governance activities.

- Advancements in Risk Management and Protocol Optimization

:

- A proposal addressing the full deprecation of the stable rate option in Aave V2 and V3 was introduced following a critical bug report related to stable borrow rates. This initiative aimed at transitioning all user positions to variable rates, marking a critical step towards enhancing the protocol's security and efficiency.

- A proposal addressing the full deprecation of the stable rate option in Aave V2 and V3 was introduced following a critical bug report related to stable borrow rates. This initiative aimed at transitioning all user positions to variable rates, marking a critical step towards enhancing the protocol's security and efficiency.

- Introduction and Support for New Assets

:

- The community considered proposals for adding new assets such as gmBTC, gmETH, and weETH as collateral assets across various Aave markets. These proposals aimed to diversify Aave's asset offerings and enhance liquidity, showcasing the protocol's commitment to growth and adaptation.

- The community considered proposals for adding new assets such as gmBTC, gmETH, and weETH as collateral assets across various Aave markets. These proposals aimed to diversify Aave's asset offerings and enhance liquidity, showcasing the protocol's commitment to growth and adaptation.

- Emission Management Proposals

:

- Several proposals concerning emission management for different markets and chains progressed to the Snapshot stage, highlighting the community's active role in defining and funding incentive programs to promote growth and user engagement across the Aave ecosystem.

- Several proposals concerning emission management for different markets and chains progressed to the Snapshot stage, highlighting the community's active role in defining and funding incentive programs to promote growth and user engagement across the Aave ecosystem.

- Service Provider Updates

:

- Service providers made significant contributions through technical maintenance proposals, risk management updates, and recommendations for optimizing the protocol. These updates are crucial for maintaining the protocol's efficiency and security, underlining the importance of ongoing partnership and expertise within the Aave ecosystem.

- Service providers made significant contributions through technical maintenance proposals, risk management updates, and recommendations for optimizing the protocol. These updates are crucial for maintaining the protocol's efficiency and security, underlining the importance of ongoing partnership and expertise within the Aave ecosystem.

II. Insights and Observations

A. Governance Participation

- Summary of the DAO's governance participation trends:

- For the period, participation of voters in proposals fluctuated between 800 to 1300 voters, but participation in general remained lower as compared to January.

- The lifetime participants in Aave Governance are 77,922 voters casting total votes at 3,098,104

- The last high in the number of voters was at November end when a proposal for an Asset onboarding framework managed to attract 12,311 voters

- The overall proposal activity for February 2024 remained lower than in January 2024. We expect that the on-chain governance activity will soon pick up as well.

- For the period, participation of voters in proposals fluctuated between 800 to 1300 voters, but participation in general remained lower as compared to January.

- The lifetime participants in Aave Governance are 77,922 voters casting total votes at 3,098,104

- The last high in the number of voters was at November end when a proposal for an [Asset onboarding framework](#) managed to attract 12,311 voters

- The overall proposal activity for February 2024 remained lower than in January 2024. We expect that the on-chain governance activity will soon pick up as well.

B. Community Dynamics

- Our observations of community dynamics and sentiment: Since January, the community dynamics have shifted towards a more cautious stance. This can be attributed to several factors, such as a controversial decision by a key service provider to leave the protocol. While a clear explanation was provided, many community members noticed that it was insufficient to decide to quit Aave, one of the top Protocols and DAOs. Also, a few malicious actors popped up scam proposals on the Snapshot, but they were quickly flagged.

On a positive note, the community is laser focused on expanding the protocol's interests and growing the pie as innovative initiatives continue to be proposed and implemented.

- Restarting the Aave Community Calls:

- Boardroom held the Aave Governance Community call in February, where multiple stakeholders and service providers presented details about their proposals and shared their rationale behind different decisions. The transcript of the call can be found [here](#)

- The calls will continue, although participation is low.

- Boardroom held the Aave Governance Community call in February, where multiple stakeholders and service providers presented details about their proposals and shared their rationale behind different decisions. The transcript of the call can be found [here](#)

- The calls will continue, although participation is low.

IV. Voting Metrics

A. Voting Metrics

Percentage of token holders participating in recent votes.

- Voting Outcomes:

- Off-chain votes: The Off-chain proposals witnessed a 100% pass rate for the period of January. A total of 15 proposals were pushed on Snapshot this month, out of which just all proposals were approved

- On-chain: On-chain proposals also enjoyed significant rates of passing success. Of the 25 submitted proposals, 23 received majority support, while 2 were canceled.

- Off-chain votes: The Off-chain proposals witnessed a 100% pass rate for the period of January. A total of 15 proposals were pushed on Snapshot this month, out of which just all proposals were approved

- On-chain: On-chain proposals also enjoyed significant rates of passing success. Of the 25 submitted proposals, 23 received majority support, while 2 were canceled.

- Community:

- Twitter: 562.5K Followers (556K in Jan) ([Link](#))

- Discord: 21632 ([Link](#))

- Twitter: 562.5K Followers (556K in Jan) ([Link](#))

- Discord: 21632 ([Link](#))

V. Challenges and Opportunities

Challenges

- The sudden departure of Gauntlet, a major risk steward for Aave for years, shocked community members. Since the departure, the community has designated Chaos Labs as the sole risk reward signer for the time being. There are talks to select the second signer for the DAO. You can learn more about the conversation [here](#).

Opportunities

- As more L2s are being launched, there is an increasing demand for Aave as the top DeFi protocol to be deployed on these chains. Notable among them are the Optimistic rollup stack chains and specific among them are the 'Superchains' with close ties to Optimism. There have been proposals on the forum for example Fraxtal.

- Dencun Upgrade: The Ethereum Dencun upgrade enhances Aave by introducing "proto-danksharding" (EIP-4844), significantly increasing transaction capacity and reducing fees. This scalability and efficiency improvement supports Aave's growth and user experience.

VII. Conclusion

February 2024 marked a pivotal moment for Aave, with significant strides in protocol optimization, market expansion, and governance. The successful renewal of the Orbit program and the introduction of new assets underscored the community's commitment to growth and innovation. Despite challenges, including the departure of a key service provider, Aave's governance remained robust, reflecting a resilient and forward-looking community ready to navigate future opportunities and strengthen its position as a leading DAO.