

[Evmos](#) proposes deploying Aave v3 on the Evmos blockchain to expand lending to the Evmos and greater Cosmos ecosystem. Evmos will be the port of entry to Cosmos for Ethereum users and vice-versa with the introduction of developer-focused incentives, interoperability across other Cosmos chains and interchain composability.

Summary

Evmos is an application-agnostic chain that will be interoperable with the Ethereum mainnet, EVM-compatible environments, and other BFT chains via IBC, making it easy for users and developers to interact seamlessly between chains. Rather than being competitive with Ethereum, Evmos aims to expand the functionality of the EVM to offer interoperability that enables new use cases. EVM bridges ([Nomad and Connex](#)) will integrate with Evmos shortly after mainnet launch to allow Ethereum and other EVM chains' ERC-20 tokens to be available on Evmos and subsequently the entire Cosmos ecosystem via IBC.

Evmos was founded by Federico Kunze Küllmer and Akash Khosla. Federico has been a core contributor to a number of Cosmos projects including Tendermint, Cosmos SDK, Core IBC, Gravity Bridge (formerly Peggy) and Sommelier. He has been building in the blockchain space since 2017 when he was an exchange student at UC Berkeley, where he joined Blockchain at Berkeley. Akash had been working in the Cosmos ecosystem at Anchorage and as a Co-Founder of Blockchain at Berkeley, the blockchain innovation hub where many of the original Cosmos developers started their careers. He's been working on blockchain and cryptocurrencies since 2016 as a Software Engineer at Anchorage, Chain and Earn, in addition to contributing to open source projects like Interledger.

The Cosmos ecosystem has been growing steadily with new application-specific chains being launched every week. Interchain DEXes have been deployed on Cosmos, among which Osmosis is already the second-largest DEX token by Market Cap and is in the top 10 dexes by volume and TVL despite only being live for six months, which demonstrates the rapid growth of activity in Cosmos. By deploying to Evmos, AAVE will be able to capture a significant amount of user activity and fill the need for reliable lending protocols in Cosmos. Evmos will also enable cross-chain applications to leverage AAVE's liquidity while being deployed to other Cosmos chains such as Terra. All of this growth will be further catalyzed by Evmos' native usage incentives which will give the Evmos community the opportunity to allocate 25% of the block allocation of EVMOS tokens through governance to support AAVE's growth and development. Additionally, funds from the community pool can be allocated to liquidity mining incentives through governance.

Motivation

There is great potential for synergy between Evmos and Aave. The Evmos ecosystem has been growing quickly with our live testnet and is launching with all of the infrastructure, tools and clients that developers require to deploy their contracts, including node and validator operator services, indexers, oracles, bridges and more.

Evmos goes above and beyond to align with developers and users through its tokenomics. Two key ways this alignment happens is through fee splits where EIP1559 is modified to give 50% of transaction fees to contract deployers rather than burning it as well as usage incentives which allocate 25% of all newly minted Evmos tokens to a usage incentive pool. This pool is fully controlled by governance enabling the community to allocate incentives for AAVE users. AAVE users have already been included in the Evmos RektDrop which rewards active Cosmos, Osmosis, and Ethereum users. You can read more about Evmos' novel [tokenomics](#) and the [RektDrop](#) in our blog.

Specifications

- What is the link between the author of the proposal and Evmos?
- The author of this proposal is a core Evmos team member.
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- Provide a brief high-level overview of the project and the token:
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- Evmos' native token, EVMOS, is used to secure the Evmos network through staking, to enable governance voting for network decisions, and to pay transactions fees on the network.
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Evmos and Cosmos Ecosystem Metrics

- 1,300 validators participated in the Evmos incentivized testnet
- 3 native dexes coming to Evmos
- Cosmos Ecosystem Market Cap is valued at over \$124.5 billion collectively
- Osmosis, the primary interchain DEX of Cosmos has the second highest market cap for DEX tokens, being surpassed only by Uniswap
- Osmosis has a TVL of \$1.2B
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- IBC usage growth with over 5M IBC transactions over the last 30 days and 600 channels and IBC-enabled chains have a market cap of over \$56 billion.
- Over 30 IBC-enabled chains with many more launching in early 2022

Audience data

- Twitter (@EvmosOrg

): 31K

- Telegram (@EvmosOrg

): 6.4K

- Discord (discord.gg/evmos): 25.6K

Incentives

One of the key designs Evmos focused on is offering developer and user incentives natively. While many protocols deploy funds from foundations and make unilateral decisions of which protocols should benefit from them, Evmos offers a governance-controlled usage incentives pool which is funded by 25% of the block emission. This enables the community to allocate a portion of usage incentives to AAVE users to encourage organic growth of the protocol and increase its adoption.

In 4 years, this will total 200 million Evmos tokens. The size of this pool is large because users are the backbone of any crypto project. Usage Incentive rewards are based on gas spent on contract interactions and rewards are distributed at the end of each epoch (1-week).

In addition to Usage Rewards, token holders can leverage governance on Evmos to allocate a portion of the community pool to additional liquidity mining rewards. The community pool accounts for 10% of the supply which can be used to fund incentive programs.

Technical Specifications

Evmos will have support for The Graph, Gnosis Safe, and we are actively working with Chainlink to finalize support to enable a fully functional Aave v3 deployment by mainnet.

Initial Supported Assets

- USDC
- USDT
- DAI
- FRAX
- AAVE
- WETH
- WBTC
- OSMO
- EVMOS
- ATOM

Snapshot

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