

As many are aware, we've been thinking and discussing a dedicated fund for Terra projects and devs who port over into Secret. We put out this proposal for a public discussion now before going on-chain.

Who is eligible?

Unlike other funds (which are still available for everyone), the Terra fund will be dedicated to the following:

1. Projects building on Terra that want to move to Secret as their new home (preferred), or otherwise cross-deploy.
2. Developers (including solo developers) who were dismissed from Terra projects and are looking for support building on another chain.
3. Secret projects/community members affected by the crash who want to take a new project onto themselves and get funding.

Details

The fund would accumulate funds by taking in 6% of the block-rewards for the next 12 months. Any excess funds will be burned at the end of the 12 months period, to ensure this proposal is deflationary.

A rough estimate puts the fund's total value at ~1.95M SCRT (217M/5%6%), giving us a good amount to invest in strong projects and strong teams.

Potential Inflation offset

Based on the results of the discussion here. We may want to adjust the inflation to offset the (relatively mild) reduction in block rewards. This has been raised by several community members. I don't have a strong opinion, since doing so would not really increase the inflation in the network unless there are strong projects who build on Secret that would otherwise not build on the network (which most would likely agree is a net benefit).

Implementation

We don't want this to be a hard fork or a complicated mechanism. We also think adding it the community pool directly would create unnecessary commingling of assets. So to meet these criteria we propose the following:

- We piggy-back on the Foundation-tax module.
- We update the address to a contract, and increase the tax back to 10%.
- The contract itself (SCRT Labs will develop that), will be a simple distribution contract that distributes 4% to the foundation wallet and the rest to another wallet (either controlled by a multi-sig or by SCRT Labs. No preference here).
- If more funding is needed earlier, then SCRT Labs can loan the funds to the fund.
- At the end of the 12 month period, anything left in the wallet gets burned

Opening this to a network wide discussion with the intention of going on-chain in a week, as per governance guidelines.

Cheers,

Guy