

Project Name:

Qi Dao

Author Name:

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Number of OP tokens to claim:

1,000,000 OP

L2 Recipient Address:

0xB1a8D1D6Dc07ca0e1E78a0004aa0bB034Fa73d60

DefiLlama TVL on Optimism:

\$3.61M

Proposal for token distribution:

Distribute OP tokens to Qi Dao to grow the protocol on Optimism.

Rationale:

Qi Dao is a decentralized collateralized debt position stablecoin protocol where users can deposit tokens as collateral to issue MAI, the protocol's decentralized stablecoin. It is the largest stablecoin protocol on Polygon, Fantom, Gnosis Chain, Moonbeam, and Moonriver. QiDao was deployed on Optimism two months ago and has seen explosive growth in relation to other chains the protocol is currently operating on and currently has a TVL of \$3.61m. The goal of this proposal is to explain how to use this grant to increase the growth of QiDao and the Optimism Ecosystem.

How will the OP tokens be distributed?

The distribution would need to go through a governance vote, but the following distribution have been proposed:

90% of tokens will be distributed to liquidity providers.

QiDao currently incentivizes two pools on Optimism: a \$2M LP on Beethoven (co-incentivized by Balancer and Beethoven), and a \$320k LP on Curve. Additionally, QiDao has secured a \$1.3M LP on Velodrome through a strategic partnership with Optimism community members.

Supporting MAI liquidity on Optimism will encourage users to lock value on Optimism in the form of collaterals. Since MAI charges a repayment fee and no interest, locked value has a longer lifespan than it does on other lending and stablecoin platforms. This is due to users being incentivized to keep their debt positions open.

10% of tokens will be distributed in the form of grants to users and developers building tools and partnerships to help the protocol grow its presence on Optimism.

How will this distribution incentivize usage and liquidity on Optimism?

MAI has consistently been a top volume provider for Curve on Fantom and Polygon, where MAI is the largest stablecoin protocol. This is because MAI pools have a higher volume to TVL ratio than most native stablecoins outside of Ethereum.

Growing MAI's liquidity will allow more users to bridge value from other chains. MAI is currently one of the most crosschain tokens in crypto, with 20 chains available. As a result, it functions as an effective transfer of value across chains.

MAI's 0% interest and repayment fee model encourages users to lock tokens on their home chain and keep loans open. This creates a resilient TVL for Optimism.

Why will the incentivized users and liquidity remain after incentives dry up?

For the past few months, QiDao has operated on a net profit (revenue has exceeded emissions). This shows that QiDao has built a durable model that can thrive without outsized emissions.

After OP incentives end, QiDao will continue to incentive usage on Optimism as it has for the past several weeks.

Over what period of time will the tokens be distributed?

- Liquidity Incentives:

6 to 12 months depending on OP token price.

- Grants Incentives:

3 to 6 months depending on the OP token price.

How much will your project match in co-incentives?

All incentives will be matched 1:1 with Mai Finance's governance token, QI, to align growth incentives between both the protocol and Optimism as a network.