ARC Rationale

According to the [Aave Treasury Management Vision](#):

The Aave Protocol is primarily focused on innovation, growth, and developing relationships within the Ethereum DeFi ecosystem. The treasury can support experiment-driven innovation leading to future Aave growth while investing aToken reserve income to earn additional returns.

To drive further experiment-driven innovation and impactful relationships with other protocols within the Ethereum and overall web3 ecosystems, we the GoodDAO (the governance entity of GoodDollar, a UBI-driven protocol/cryptocurrency) propose an Aave treasury allocation that would keep the aToken reserve investment within Aave's ownership while redirecting yields towards our Universal Basic Income distribution mechanism. Aave would earn rewards denominated in both fully exchangeable G$ tokens and GOOD governance tokens in return.

GoodDollar delivers a crypto UBI token (G$) to more than 300k unique users (+55k active daily) in virtually every country in the world. Many of our users are excluded from or underserved by traditional financial systems and are initiating their crypto and web3 journeys through GoodDollar, for which inclusion and design simplicity are core principles.

This ARC also proposes a DAO-2-DAO relationship between Aave DAO and GoodDAO. Aave DAO will earn GOOD (GoodDollar's non-transferrable governance token) as a reward for allocating aUSDC to the GoodDollar [Trust Fund](#), a set of smart contracts that re-allocates yields generated in 3rd party DeFi protocols, such as Aave itself, to the GoodDollar Reserve, where it enables the minting and distribution of UBI G$ tokens.

We envision Aave becoming an important stakeholder in our economic opportunity protocol and benefiting from brand-building access to our 300,000-strong community of users and supporters. Currently, members who stake to the Trust Fund are allocated 25% of our total GOOD ongoing distribution (i.e. 2M out of 8M GOOD goes to liquidity providers of our staking contract). So if Aave were to allocate 1.1M aUSDC, the DAO would be entitled to ~12,5% of our GOOD distribution.

Aave DAO will also be entitled to participate in the G$ [staking rewards](#) program, under which we are distributing 145.5M G$ (28k USD at current prices) to stakers who support UBI generation. Since many of our stakers care as much about doing good as they do financial returns, we also offer the option to waive their economic rewards.

- Documentation and Whitepaper: [docs.gooddollar.org](#)

This ARC is the formalization of an [Aave Grants DAO](#) Proposal we initiated some weeks ago, but due to the nature and scale of the proposal, we were asked to raise a formal ARC/AIP. In that earlier [proposal](#), you can find detailed information about the GoodDollar protocol and the GoodDAO. Further information about GoodDollar is also available at the links listed below:

- Web: [www.gooddollar.org](#)

- App: [www.goodswap.xyz](#)

- Wallet: [wallet.gooddollar.org](#)

- User and Economic Dashboard: [dashboard.gooddollar.org](#)

ARC content in short

- To allocate a portion of aUSDC from [Aave's treasury](#) into [GoodDollar's Aave staking contract](#) (Trust Fund).

- To determine what proportion of the 15M aUSDC from Aave's treasury should be allocated.

- To determine if Aave DAO will also donate the G$ economic rewards earned through this allocation to other GoodDollar Aave stakers.

GoodDollar suggests a stake of 1M aUSDC. This would amount to 1/15 of the aUSDC treasury and would put Aave in a position to receive the same proportion of the ongoing distribution of GOOD tokens that [eToro, our main sponsor, is earning with their staking position](#). We also propose that Aave DAO waive **its G$ rewards (**an estimated G$ APY of 2,8% for a 1M staking position), enabling them to be distributed to future retail AAVE/GoodDollar stakers as an incentive to back UBI generation.

Signalling Polls

- How much should Aave DAO stake into UBI's GoodDollar TrustFund?

- 0 aUSDC - I'm not in favor

- 100k aUSDC - Let's start small

- 500k aUSDC - Let's make this worth for good

- 1M aUSDC - Let's contribute in counteracting current governance Power

- 2M or More aUSDC - GoodDollar rocks, we should help as much as we can

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voters

- Should Aave DAO willing to claim the correspondent G$ for our contribution?

- Yes - The more value for Aave DAO the better

- No - Let's promote other people to stake in the GoodDollar/Aave contract

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voters

- 500k aUSDC - Let's make this worth for good

- 1M aUSDC - Let's contribute in counteracting current governance Power

- 2M or More aUSDC - GoodDollar rocks, we should help as much as we can

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voters

- Should Aave DAO willing to claim the correspondent G$ for our contribution?

- Yes - The more value for Aave DAO the better