

TL;DR:

At the request of the Balancer DAO, we propose amending [CIP-45](#) to remove the terms related to the token swap outlined in the paragraph “Incentive Alignments: Token Swap and Additional BAL Rewards” from the partnership agreement.

Motivation:

With the imminent launch of CoWAMM pools, the Balancer DAO conducted an internal reevaluation of the various terms discussed in [BIP-628](#) (the equivalent proposal to CIP-45 on the Balancer forum). Multiple events and changing market conditions have altered the availability of BAL tokens for the DAO since BIP-628 was written. The treasury token swap requirement of \$2.5 million worth of BAL represents a significant portion of the DAO’s current BAL runway. In light of this, karpatkey released a [budgeting report](#) for the second half of 2024.

There is no intention by the Balancer DAO to slow down or impede the CoWAMM launch. However, since CIP-45 mandates that both DAOs initiate the treasury swap at launch, we believe this amendment is the most straightforward solution to remove the treasury token swap from the agreed terms. These terms may be revisited in the future, and if so, a new CIP will be introduced. All other terms referenced in CIP-45 remain unchanged.

It is worth noting that [BIP-673](#), an equivalent proposal, has already been posted on the Balancer forum.

For reference, this is the specific part of the agreement that will be removed upon the passing of this proposal:

[CIP-45: Balancer & Cow Protocol Strategic Partnership – Launching CoWAMM Pools](#)

Incentive Alignments: Token Swap and Additional BAL Rewards

To align incentives, a milestone-contingent token swap is proposed:

1. At launch, both DAOs will swap an equivalent of USD 500k worth of their native tokens and commit to holding them for at least two years from the date of this agreement passing a vote on Snapshot. Tokens can be used for strategic objectives but both DAOs will refrain from selling them during the aforementioned term.
2. When TVL of CoWAMM/Balancer pools reaches USD 50M, each DAO will swap USD 1M worth of tokens, with the same two-year restriction.
3. When TVL reaches USD 100M, another USD 1M token swap will occur, also locked for two years.