

Authors:

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## TLDR:

- In April, the UADP submitted an application to participate in the Arbitrum LTIPP (long term incentive program pilot)
- We were able to receive 1,000,000 of ARB, the largest amount out of all other DEX applicants
- In our application, we stated that
- “the UADP will request the Uni DAO to decide whether or not it wants to partially match this 1.0M ARB ask. The options the DAO has to vote on are four: \$250k, \$500k, \$750k, and \$1M. We cannot guarantee that the DAO will vote to match incentives, but we will make a best-effort attempt and report the results of the temperature check”
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- We will be collaborating with Gauntlet and Merkl to distribute the incentives (cost breakdowns are below)
- To those ends, we are running this temperature check to see if the DAO is interested in matching the given LTIPP grant to some capacity

## About the LTIPP Application

Uniswap did not apply to the first two rounds of Arbitrum incentives (STIP 1 & 2). This was for two reasons:

- Native DEXs and smaller protocols deserve a chance to make a name for themselves and perhaps offer unique protocols for trading
- We did not have a formal structure like the UADP to help facilitate an application

Since many native DEXs—and non-native ones—have already had the chance to apply for ARB incentives throughout the past year across multiple incentive distribution initiatives, the UADP decided that it’s now the right time for Uniswap to also partake in these programs, especially since other blue-chip protocols also applied for these incentives. Plus, the establishment of this committee has allowed Uniswap DAO to further mature its relationship with Arbitrum DAO. We’ve partaken in multiple discourses, participating in all of the votes taking place on Arbitrum since November 2023 (see [Communication Thread here](#)).

The LTIPP pilot program is a 3-month long incentive program, with 45M worth of ARB to be distributed among an elected group of protocols. A total of 174 applications were vetted by the LTIPP Advisors, with whom we interacted and obtained feedback during the month of March. One of the primary sticking points was the amount of capital that we initially requested, along with clarifications around some of the target KPIs behind our request.

After some deliberation, in line with many other projects, we ended up lowering our ARB ask from 2.5M to 1M, which increased our chances of being admitted into the program by the Advisors and ARB delegates. Uniswap was able to attain the largest amount of incentives from the cohort of DEX applicants:

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## Uniswap LTIPP Grant Structure and Execution

Below is a breakdown of how the LTIPP funds will be used:

- 900k ARB for incentives:
- 882k ARB:

The bulk of these funds will be used to incentivize liquidity providers on Uniswap using Gauntlet’s dynamic optimization engine.

- 18k ARB:

For Merkl to distribute the funds. Merkl charges based on a percentage of the incentives distributed.

- 882k ARB:

The bulk of these funds will be used to incentivize liquidity providers on Uniswap using Gauntlet's dynamic optimization engine.

- 18k ARB:

For Merkl to distribute the funds. Merkl charges based on a percentage of the incentives distributed.

- 85k ARB for Gauntlet:

they will dedicate part of its Applied Research team, the same team currently managing the Uniswap/Arbitrum liquidity mining program, to this initiative.

- 15k ARB for UADP:

These funds will be sent to the UADP multisig with the goal of making this meta-governance initiative a self-sustaining program. This will allow Uniswap DAO to maintain its voting participation in the Arbitrum DAO.

In order for us to accept this grant, we had to elect three signers onto a Gnosis Safe, and each member had to follow Arbitrum Foundation's KYC process.

- Multisig Address

: [0x1026D3D219098D7b1B0A180F7E557DEeA7DA82C1](https://global.discourse-cdn.com/business6/uploads/uniswap1/original/2X/0/0x1026D3D219098D7b1B0A180F7E557DEeA7DA82C1)

- 2/3 Signers
- [@Juanbug](#) (UADP), 0xB8Dcad009E533066F12e408075E10E3a30F1f15A
- [@AbdullahUmar](#) (UADP), 0x3d0e30031b547737fFCf13c127350159A6C4ce17
- Picodes (Merkl), 0x34Eb88EAD486A09CAcD8DaBe013682Dc5F1DC41D
- [@Juanbug](#) (UADP), 0xB8Dcad009E533066F12e408075E10E3a30F1f15A
- [@AbdullahUmar](#) (UADP), 0x3d0e30031b547737fFCf13c127350159A6C4ce17
- Picodes (Merkl), 0x34Eb88EAD486A09CAcD8DaBe013682Dc5F1DC41D

All performance reporting will be conducted by Gauntlet, just as they have been providing analytics regarding their previous Arb-Uniswap incentive program [here](#). Below are some basic metrics from the previous initiative.

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## Incentive Matching

It's clear that Uniswap has a steeped history with Arbitrum. We are currently the dominant DEX by TVL and volume on the L2. After ETH L1, Arbitrum is where Uniswap has the largest stronghold. It is therefore important for delegates to potentially consider doubling down on this ecosystem.

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Source: [Dune Analytics \(@whale\\_hunter\)](#)

Uniswap DAO and Arbitrum DAO have also conducted themselves symbiotically ever since Uniswap launched on the L2 in August, 2021. Below are some contributions that Uniswap has made to the Arbitrum ecosystem in the past year alone:

- Gauntlet has shipped out a [Dynamic Incentive Optimization for Uniswap V3](#)
- [Live dashboard](#)
- [Uniswap/Arbitrum liquidity mining mid-point retrospective](#)
- [Live dashboard](#)
- [Uniswap/Arbitrum liquidity mining mid-point retrospective](#)
- Set up a [Uniswap-Arbitrum Working Group](#)
- Funded a ~\$2m [Uniswap-Arbitrum Grants Program](#)
- Created an active metagovernance group ([Uniswap-Arbitrum Delegate Program](#))

Now that Uniswap has attained 1M ARB from Arbitrum, we are fulfilling our end of the bargain to see if Uniswap would like to reciprocate to some level:

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As mentioned, it is up to Uniswap delegates to decide whether or not matching is favorable. Doing so would signify to the Arbitrum community our continued support, and in the UADP's opinion, allow for further collaboration and grants in the future. If any funds are approved, they will follow a similar distribution structure and execution as above and be grouped together in Gauntlet's incentives allocation.

Snapshot Options:

- \$250k
- \$500k
- \$750k
- \$1M
- Do Not Fund