Summary:

Proposal for the deployment of Aave V3 on the Avalanche C-Chain.

Proposal:

On October 4, 2021, the Aave protocol was successfully deployed on the Avalanche C-Chain. This was made possible by the overwhelming support received from the Aave community at the voting stage. The protocol launched in tandem with the Avalanche Rush incentive program. The Avalanche Foundation allocated AVAX rewards to Aave users as part of Avalanche Rush, helping bring new users to the Aave ecosystem while also rewarding existing users. These initiatives supercharged the impressive growth of both Aave and Avalanche, with the Avalanche market quickly becoming Aave's largest market after Ethereum.

The Avalanche C-Chain has evolved significantly since our last proposal and now hosts a mature and fast-growing DeFi ecosystem. Some highlights:

- Users: The Avalanche C-Chain now has more than 1.5 million unique addresses and reached nearly 800k monthly active users in December 2021.

- TVL: More than 5 billion dollars has been bridged from Ethereum on the Avalanche Bridge, with the total TVL on the Avalanche C-Chain surpassing 10 billion dollars, making it the 4th largest blockchain by TVL.

- Decentralisation: The Avalanche network remains as secure as ever and now counts more than 1,200 validators. Avalanche consensus allows it to easily scale to tens of thousands of validators.

- Transaction volume: The Avalanche C-Chain routinely achieves more than 500k daily transactions, sometimes exceeding 1M daily transactions. This constitutes up to 80% of the daily transaction volume on Ethereum.

- Development activity: There are more than 16,000 cumulative unique smart contract deployers on the C-Chain and hundreds of dapps live.

The deployment of Aave V3 on Avalanche will be mutually beneficial, allowing the protocol to tap into the Avalanche DeFi ecosystem and fulfill its multi-chain vision.

Deployment strategy:

The Avalanche Foundation will continue to incentivize Aave V3 through Avalanche Rush and focus on a safe migration from Aave V2 to V3.