

Reference two AAVE related pools on Curve in ETH mainnet:

SAAVE (SUSD & DAI): currently has \$189 million down from \$266 last week

AAVE (USDT USDC & DAI): currently has \$183 million down from \$216 last week

There's a pool on polygon:

AAVE (USDT USDC & DAI) which has gotten a bribe from Polygon in the form of MATIC and seen its TVL and APY shoot up

Both these have had veCRV votes shift out en masse to other pools due to incentives.

Given the above, we could effectively have Curve / Convex subsidize stable coin availability through their token emissions on their pools. Those stablecoins get lent out on AAVE, so this should create a cheaper cost of funds for AAVE and therefore lead to more stable APY for lending, especially as these funds could become relatively sticky.

I propose on a trial basis we carry out a 20 stkAAVE incentive for gauge weight votes to each of the SAAVE and AAVE pools for the votes from the second Convex vote in October through the end of 2021, at which point we reassess and decide to continue. That's about 11K USD at current prices per vote.

I propose stkAAVE as it could be support for our own stability pool. Presumably most individuals would accumulate multiple incentives before liquidating and some would keep it around as a long-term hold.

I suggest we use votium.app as this would probably be more efficient in terms of generating votes per token spent, noting the greater concentration of voting power within CVX. It also means only paying once every two weeks.

Next vote is for 14 October, but we ought to get the offer in well before, so we may not pass governance and other processes until the vote of 28 October. That means five votes would be covered by this proposal for a total of 200 AAVE tokens or about 55K USD.

I welcome your feedback and thoughts about improvements.