ZeroLend Emission Strategy

This page documents how the ZERO emissions will be distributed over time ZeroLend plan implement a hardcoded 4:1 emissions ratio for borrowing and lending, respectively. This incentive structure is predicated on the principle that borrowing necessitates collateralized lending; thus, by encouraging borrowing, the platform inherently promotes more lending.

This strategy is expected to elevate APYs in borrowing and lending pools, augmenting revenue for the company and potentially leading to increased buybacks and emissions.

Types of Emissions

ZeroLend features two types of emissions as part of its incentive structure:

1. Primary Emissions
2. : Rewards specific to assets.
3. Secondary Emissions
4. : Rewards distributed in ZERO tokens.
5.

Our focus here is onSecondary Emissions as they are the only emissions affected by veZERO.

Example of Secondary Emissions Distribution

Let's assume ZeroLend plans to distribute 1 million ZERO tokens as ecosystem incentives. The allocation of these tokens is determined by the veZERO delegated to each asset. Here's a simplified breakdown:

Asset veZERO Delegated Percentage of Total veZERO ZERO Rewards USDC 30M 30% 300K ETH 20M 20% 200K MANTA 50M 50% 500K In this scenario:

- USDC
- receives 300,000 ZERO, as it holds 30% of the total veZERO delegated.
- ETH
- is allocated 200,000 ZERO, corresponding to its 20% share.
- MANTA
- gets 500,000 ZERO, being the largest beneficiary with 50% of veZERO delegation.
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This table illustrates how the delegation of veZERO tokens directly impacts the distribution of secondary emissions, incentivizing stakeholders to strategically delegate their tokens to favor certain assets within the ZeroLend ecosystem.

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