

Hello Centrifuge and Aave Community

Proposal type: CP-4

Author(s): Governance and Coordination Group ([@ImdioR @rhano](#))

Contributor(s): Governance and Coordination Group (ImdioR, Orhan)

Technical/non-technical proposal: technical proposal

Date proposed: 2022-12-08

## Short Summary

- Renewal of incentive rewards for the RWA Market on AAVE

## High-level objective

- This proposal is for minting 100,000 CFG to be distributed as rewards for the RWA Market on Aave. These rewards will last for the following 90 days when the current rewards run out on the 5th January 2023.

## Background

The Governance and Coordination Group (Centrifuge) would like to request comments on the proposed renewal incentive rewards for RWA Market.

The RWA Market is the first venture of Aave and Centrifuge and with a total market size of \$8,089,000.

[1600x709 88.6 KB](#)

The current market conditions and the economic situation in the world have led to a lot of withdrawals, and ongoing instability in both crypto in general as well as the DeFi sector. As a result, the total value locked (TVL) in [DeFi dropped by 66%](#) (data from August 2022) in the last 9 months. Despite such a significant drop, the RWA narrative is still strong and there is an interest to invest in assets, uncorrelated to crypto, and earn a stable yield.

Previous [RWA Market rewards](#) covered reward distributions up to the 5th of January 2023. In order for incentive rewards to continue for the RWA market on AAVE they must be renewed before the end of the year to ensure they are ready for the 5th of January 2023...

We believe that the RWA Market and AAVE have a significant impact and role in the future of RWAs along with Centrifuge. In addition, the latest results show that the community supports and strongly believes in RWAs.

In order to guarantee the correct and uninterrupted work of RWA Market, incentives should be extended.

## Detailed description of proposal

The proposal is to:

1. Extend incentives reward for RWA market [keeping the same incentives liquidity](#) for the Aave RWA Market from [the previous vote](#).
2. Minting an additional 100,000 CFG incentivizes to keep earning a stable yield and also gives current and new users the chance to participate in the Centrifuge Governance.

Please keep in mind that this is a fixed rate, so naturally, the overall reward percentage decreases as TVL increases, and vice versa.

The original post regarding RWA Market rewards adjustments and describing the original proposal in more detail can be found [here](#).

## Change or improvement

1. Mint an additional 100,000 CFG for the next 90 days starting 05-01-2023 and deposit these into the Aave Rewards Distributor Contract.
2. Distribute 1111 CFG per day as rewards across the AAVE Centrifuge market
3. Responsible
4. Governance and Coordination Group (ImdioR, Orhan)

5. Governance and Coordination Group (ImdioR, Orhan)
6. Alignment to the mission of Centrifuge DAO
7. Minting the 100,000 CFG tokens as rewards will ensure that lenders on RWA Market are incentivized for providing liquidity to pools, which in turn will ensure that borrowers can still access capital transparently and cost-effectively.
8. Minting the 100,000 CFG tokens as rewards will ensure that lenders on RWA Market are incentivized for providing liquidity to pools, which in turn will ensure that borrowers can still access capital transparently and cost-effectively.

If this proposal passes all steps, it will take around 28 days for it to pass and the rewards will be minted shortly after.

If you have any questions or comments, please feel free to leave them on the Centrifuge forum

[RFC: Renewal RWA Market rewards proposal \(2023-01-05\) - Request for Comments - Centrifuge Governance Forum](#) or here!

Thank you for your attention.