Project Name:

Aave

Author Name:

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DefiLlama TVL at snapshot:

$1,790,756

Transactions/Day at snapshot:

38

Tiers:

3

Optimism native:

No

Number of OP tokens to claim:

300,000 OP

L2 Recipient Address:

0xcd150D9CFDb39D287D69B9b1bb7111E58414aCA8

Proposal for token distribution:

Distribute OP tokens to Aave Grants DAO to help grow Aave and Optimism.

Rationale:

Aave is a decentralized non-custodial liquidity market protocol where users can participate as depositors or borrowers. Aave v3 was deployed on Optimism two months ago and the current TVL is $7m. The goal of this proposal is to explain how to use this grant to increase the growth on Aave and the Optimism Ecosystem.

How will the OP tokens be distributed?

The distribution would need to go through a governance vote, but the following distribution have been proposed:

The 300k OP tokens will be sent to Aave Grants DAO which will focus the distribution building on Optimism Ecosystem. The specific allocation will be decided by AGD, but roughly we expect two-thirds to go to builders rewards and one-third to events focused on the Optimism ecosystem.

Builders rewards - 200,000 OP (2/3rd of total)

Aave Grants DAO will allocate 200k OP to involve the community by distributing grants to build on top of Aave V3 Optimism and grow the OP ecosystem.

Any builder can apply for technical or non technical projects and will be eligible for a share of the rewards.

Events (focused on Optimism ecosystem) - 100,000 OP (1/3rd of total)

Aave Grants DAO represents the Aave protocol in many DeFi events, which could be sponsored and receive hackathon prizes.

- Aave Grants sponsored events
- Tokens will be used to either sponsor DeFi events and highlight Optimism or help fund Optimism focused events.
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- Hackathon prizes
- Tokens will be distributed to builders as prizes for building on Optimism for the next hackathons.
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How will this distribution incentivize usage and liquidity on Optimism?

Aave Grants DAO will allocate OP rewards innovation and product development. This will help the growth of the ecosystem and improve liquidity on Optimism.

Why will the incentivized users and liquidity remain after incentives dry up?

Aave protocol is deployed on many chains including Optimism, and has already reached $7m TVL.

Moreover, most of this grant is allocated to improve Aave on OP and build on top of it which should bring more users. Once these users become regular users of the Optimism ecosystem, they might become loyal users to the ecosystem and will not leave easily, as we can see on other networks eligible for LM programs such as Polygon or Avalanche.

Over what period of time will the tokens be distributed?

- Optimism Grants: 6 to 12 months depending on OP price

- Events & Sponsoring : around 6 months depending on OP price

How much will your project match in co-incentives?

Aave Grants DAO has been allocated a $6m budget, which should help match the allocated rewards for builders.