

# Monthly Governance Report - April 2024

The monthly Governance recaps are a compendium of key governance updates for the preceding month. The April recap is Boardroom's fourth Monthly recap following our commencement of this update since January. Below, we have summarised all the important happenings in Governance and forums for the Aave community.

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## I. Overview

### A. Project Status

- Current Phase: Implementation
- DAO's ongoing primary goals for this period:
- Refining Risk Management Systems

: Aave continues to emphasize improvements in its risk management frameworks, introducing new analysis tools and strategies to safeguard assets and the management of GHO stablecoin more effectively.

#### 1. Cross-Chain Accessibility Improvements

: Efforts are underway to boost GHO stablecoin's functionality across different blockchains, enhancing interoperability and ensuring seamless cross-chain transactions.

#### 1. Fostering Deeper Governance Involvement

: The DAO is striving to increase active participation from its community members in decision-making processes, placing a high value on their contributions towards shaping the protocol's future.

#### 1. Continued Technical Enhancements

: Aave is dedicated to continuous updates and maintenance to ensure its infrastructure remains state-of-the-art, thereby sustaining high security and performance standards.

#### 1. Diversification of Asset Portfolio

: The DAO plans to introduce more assets and explore new market opportunities, aiming to expand its liquidity provisions and user base.

#### 1. Development of Decentralized Governance Tools

: New tools are being developed to facilitate more transparent and efficient governance processes, making it easier for stakeholders to participate and track governance activities.

#### 1. Enhancing Liquidity Strategies

: Aave is focusing on innovative strategies to enhance liquidity across its platforms, including partnerships and new financial products that could attract a broader user base.

#### 1. Community Education and Outreach

: The DAO is also enhancing its efforts in community education and outreach to better inform users about Aave's features, updates, and how they can contribute to the ecosystem's growth.

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- Milestones Achieved:

- [New Risk Service Provider: LlamaRisk](#)

A Snapshot vote was put up to elect a risk service provider which provided the community 3 options to choose from. The applicants for this position included LlamaRisk, OpenBlock labs, Allez labs. LlamaRisk secured a majority of votes and was chosen for the position.

#### 1. New Asset Onboarding

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## II. Insights and Observations

### A. Governance Participation

- Summary of the DAO's governance participation trends:
- For the period, participation of voters in proposals was in between 500 to 700 voters, staying equal to the participation of March
- The lifetime participants in Aave Governance are 78,214(+171) voters casting total votes at 3,126,247 votes and 1124 total proposals (Figures taken from the Boardroom page, last month's statistics were taken from DeepDAO)
- The last high in the number of voters was at November end when a proposal for an [Asset onboarding framework](#) managed to attract 12,311 voters

- The overall proposal activity for April 2024 was comparable to March 2024.
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## B. Community Dynamics

- The community maintained a delicate balance of expanding to new assets and maintaining the growth of current assets.
- No new venture in terms of Chain expansion for this month. Aave currently covers 12 Chains.
- Due to the dynamic nature of the market, the decisions of partners may sometimes increase risk in certain cases. The community took the initiative to identify and discuss such issues and take appropriate action.

## IV. Voting Metrics

- Voting Outcomes:
  - Off-chain votes: The Off-chain proposals witnessed a 100% pass rate for the period of January. A total of 23 proposals were pushed on Snapshot this month, out of which all proposals were approved. Two proposals [GHO Cross Chain Rollout](#) and [New Risk service provider](#) were votes to select one alternative out of a set of options.
  - On-chain: On-chain proposals also enjoyed significant rates of passing success. Of the 31 submitted proposals all receiving majority support.
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  - On-chain: On-chain proposals also enjoyed significant rates of passing success. Of the 31 submitted proposals all receiving majority support.
- Community:
  - Twitter: 581.3K Followers ([Link](#))
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## V. Challenges and Opportunities

April 2024 presented Aave DAO with unique challenges and opportunities, reflecting the dynamic environment in which decentralized finance operates. Here's an overview of the key issues and prospects faced by the DAO:

### Challenges:

#### 1. Risk Management in Volatile Markets

: As the cryptocurrency market remains prone to high volatility, Aave's newly enhanced risk management systems were put to the test. Managing the implications of market swings on asset and GHO stablecoin governance continues to be a complex challenge.

#### 1. Cross-Chain Integration Complexities

: While expanding GHO stablecoin's functionality across multiple blockchains, Aave encountered technical and regulatory hurdles. These challenges stem from differing blockchain protocols and the need for compliance with various regulatory frameworks.

#### 1. Governance Participation Consistency

: Although governance engagement has been robust, sustaining high levels of participation and decision-making quality in a growing community is increasingly challenging.

## **Opportunities:**

### **1. New Asset Classes and Markets**

: The exploration and integration of new assets present substantial opportunities for Aave to diversify its portfolio and tap into emerging markets. This move can enhance liquidity and attract a broader user base.

### **1. Educational Initiatives**

: By ramping up its community education and outreach, Aave has the opportunity to empower its users with better knowledge of DeFi mechanisms and the specific features of the Aave protocol, fostering a more informed and engaged community.

### **1. Decentralized Governance Tools**

: The development of new governance tools offers the chance to streamline operations and enhance transparency in decision-making processes. This could lead to more efficient governance and increased trust among stakeholders.

### **1. Partnerships for Liquidity Enhancement**

: Collaborations with other DeFi and traditional financial entities could provide Aave with strategic opportunities to boost its liquidity strategies and secure its position as a leader in the DeFi space.

These challenges and opportunities highlight Aave's proactive approach in navigating the complexities of DeFi, focusing on continuous improvement and strategic growth to maintain and enhance its competitive edge in the ecosystem.

## **VII. Conclusion**

April 2024 has been a pivotal month for Aave DAO as it continues to push forward with its strategic initiatives and governance enhancements. This month saw significant progress in several areas, including risk management, cross-chain functionality, and community engagement, reflecting Aave's dedication to creating a more robust and inclusive financial ecosystem.

The successful onboarding of a new risk management provider and the introduction of new assets are a testament to the DAO's commitment to continuously enhancing protocol safety and expanding its market reach. Governance participation has remained steady, illustrating the community's ongoing commitment to the DAO's mission.

As Aave continues to develop decentralized governance tools and educational resources, it is well-positioned to maintain its leadership in the DeFi space and foster a more engaged and informed community. The initiatives undertaken this month not only address immediate operational needs but also lay the groundwork for sustainable growth and innovation.

The continued success in passing both on-chain and off-chain proposals at a high rate further underscores the alignment and trust within the community, setting a positive tone for the future. With these accomplishments, Aave is moving confidently towards a future where decentralized finance is more accessible, secure, and community-driven.