Hi everyone!

This is the latest update of the proposal edited by[@BlockAdopter](#) from the Angle team.

This update takes into account feedback from the delegates. Thank you for your input and for helping us improve this proposal.

Condensed summary of the updated proposal

- Angle is applying for a 250k OP tokens grant

- 250k OP tokens to be distributed

over 6 months as follows: * 2/4

: agEUR - USDC pool on Uniswap V3

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: agEUR - OP volatile pool on Velodrome, in the form of bribes

- 1/4

: agEUR - MAI volatile pool on Velodrome, in the form of bribes

- 2/4

: agEUR - USDC pool on Uniswap V3

- 1/4

: agEUR - OP volatile pool on Velodrome, in the form of bribes

- 1/4

: agEUR - MAI volatile pool on Velodrome, in the form of bribes

- More weight to the Uniswap pool as this rewards LPs as opposed to bribes

that risk attracting mercenary participants (we changed the distribution following feedback from delegates

)

- Also Velodrome is an Optimism-only platform

and this favors the Optimism ecosystem.

- Matching incentives

: Angle will match the amount of votes obtained on Velodrome using OP from this grant with Angle's resources (either voting power, either through bribes).

- Bonus for contributors on Optimism:

Angle to grant 10,000 $Angle tokens to each author of a contribution made to Angle Protocol on Optimism (that is double the rewards offered to contributors on other chains)

Long form proposal (updated)

This is the GF Phase 1 Proposal from the Angle Protocol. The goal is to help push the adoption of agEUR, a robust and decentralized EUR-stablecoin, and its underlying platform Angle on the Optimism network.

Project name:

Angle Protocol

Author name and contact info:

[@BlockAdopter](#)

, can be contacted through [Twitter](#) or Discord (TheBlockAdopter | Mariam#7290) or[@tuta](#)

, can be contacted through Twitter or Discord (tuta#3689).

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant:

Yes

L2 recipient address:

0x3245d3204eeb67afba7b0ba9143e8081365e08a6

Grant category:

Governance Fund Phase 1

Is this proposal applicable to a specific committee? [y/n, link to committee]

Yes, DeFi Committee

Project description

(please explain how your project works): Angle is a decentralized and over-collateralized stablecoin protocol that launched agEUR, the leading decentralized EUR stablecoin on Ethereum.

Angle Borrowing module works similarly than Maker, with improvements on many aspects: users can borrow stablecoins after depositing tokens as collateral, and get liquidated if the value of this collateral goes below a certain threshold. It is deployed natively on Optimism, allowing users to borrow or get leverage with agEUR against OP, USDC, and wETH. Angle is also planning to offer yield and investment products in the future.

Project links:

- Website: App 2

- Twitter: Angle Protocol

- Discord/Discourse/Community: Discord, Discourse

- Please include all other relevant links below: Analytics, agEUR dashboard

Additional team member info

(please link): Co-founders Discord/Telegram: sogipec#6666 / @pveyrat

, Picodes#0368 / @Picodes

, gnervo#9112 / @gnervo

Please link to any previous projects the team has meaningfully contributed to:

NA

Relevant usage metrics

(TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.):

- Angle TVL ~$75M, with currently > 300k on Optimism.

- agEUR total supply > 45M €

- agEUR daily transaction count > 100

- agEUR weekly DEX volume > 30,000,000 agEUR

- agEUR total transfer volume on-chain > 5B agEUR (includes all types of transactions)

Competitors, peers, or similar projects

(please link):

Maker

QiDAO

Frax

[Liquity](#)

Is/will this project be open sourced?

Yes, Angle is already open-sourced. Everything can be found in [this repository](#).

Optimism native?:

Angle Borrowing module has recently been launched natively on Optimism. $agEUR is a native Optimism asset. Angle was originally launched on Ethereum in November 2021.

Date of deployment/expected deployment on Optimism:

Angle Borrowing module contracts were deployed on Optimism in mid-July 2022.

Ecosystem Value Proposition:

- What is the problem statement this proposal hopes to solve for the Optimism ecosystem

Having a robust and decentralized EUR stablecoin natively on Optimism.

- How does your proposal offer a value proposition solving the above problem?

agEUR is one the leading decentralized EUR stablecoin on-chain, and can be minted natively on Optimism. Angle also allows users to get leverage on their OP tokens by borrowing agEUR.

- Why will this solution be a source of growth for the Optimism ecosystem?

Growing agEUR on Optimism is a way to attract all DeFi users which have the EUR as their local currency to the network.

Has your project previously applied for an OP grant?

No.

Number of OP tokens requested:

250,000 OP

Did the project apply for or receive OP tokens through the Foundation Partner Fund?:

No

If OP tokens were requested from the Foundation Partner Fund, what was the amount?:

NA

How much will your project match in co-incentives?

We will match the grant in incentives with Angle's own resources. Please see the detail of these co-incentives below.

Proposal for token distribution:

How will the OP tokens be distributed?

Here, we lay out a revised proposition for the distribution of the received OP tokens, and a new way for Angle to help push Optimism's adoption.

A) 100% of received OP tokens to be distributed as liquidity incentives, linearly over 6 months between 3 agEUR pools.

The 250,000 OP tokens would be distributed linearly over 6 months, for a total of 10,416 OP / week. This distribution would be split between 3 pools as follows:

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: agEUR - USDC pool on Uniswap V3 directly, with the option of having LP liquidity managed by @Gamma

. (We have by the way created a new UniV3 LP incentivization mechanism detailed [here](#), and we hope to push for a more global adoption on Optimism);

- 1/4

: agEUR - OP volatile pool on Velodrome, in the form of bribes; and

: agEUR - MAI volatile pool on Velodrome, in the form of bribes.

This would amount to:

- 5208 OP / week in the Uniswap V3 pool, or ~$3,750 at a price of $0.72 / OP; and

- 2604 OP / week directed to the agEUR - OP and agEUR - MAI Velodrome pools, or ~$1,875 at a price of $0.72 / OP.

This is equivalent to $7,500 x 52 = $390,000 / year distributed on the three pools ($190,000 over the 6 months of the program), or a ~4% APY per pool with $10m in liquidity in all pools over the first 6 months.

Depending on where the APY stabilizes, we can expect around $3-4M of $agEUR to be minted on Optimism across these pools. As $OP is now accepted as collateral to mint agEUR on Angle, this creates an interesting opportunity for $OP holders to increase the token liquidity without selling some of their tokens.

B) Angle matching distributed $OP incentives on Velodrome

Angle will match the amount of votes obtained on Velodrome using OP from this grant with Angle's resources (either voting power, either through bribes from Angle's own capital).

This means, for example, that with a value of $7500 OP tokens distributed each week, Angle would be voting or bribing with a minimum of $7,500 worth of votes or bribes per week in favor of the agEUR - OP and agEUR - MAI on Velodrome per week.

C) Doubling Angle contributions program for Optimism contributions during the span of the $OP incentives.

As detailed here, Angle is currently running a program rewarding external contributors with 5000 ANGLE for meaningful contributions. As this is currently under the discretion of the Angle team, we understand that OP tokens shouldn't be used to reward such contributions.

To push Optimism's adoption, we think it would be a great idea to double these incentives to 10,000 ANGLE when the Angle contributions are made on Optimism. This would require a DAO vote on our side, but we are confident Angle community will be in favor of such a proposal.

Please see the top of this post to access a condensed summary of the proposal.