

# title: [TEMP CHECK] Allocating part of GHO Revenue to Safety Incentives

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## Abstract

This TEMP CHECK proposes the introduction of a dual reward system Safety Incentives, where a portion of GHO revenue is directed to the Aave Safety Incentives, enabling stakers (StkAAVE & StkBPT) to earn both AAVE and GHO tokens.

## Motivation

The motivation behind this TEMP CHECK is to enhance the sustainability of the Aave protocol by reducing its reliance on the Ecosystem Reserve of AAVE tokens for Safety Incentives. We propose a strategic shift towards harnessing protocol economic activity to generate “real yield” through the introduction of GHO as an additional Safety Incentive.

By directing part of GHO revenue to the Safety Incentives, we aim to create a dual reward system, offering stakers both AAVE and GHO tokens. While the contribution of GHO to Safety Incentives may initially be a small fraction of the total incentives, it represents a significant step towards the protocol’s maturity and sustainability.

This proposal, suggests that the governance should adjust the distribution percentage quarterly, in response to market conditions.

As the Aave protocol already generates sustainable revenue that covers service provider costs, the introduction of GHO into the Safety Incentives mix is a viable and strategic move toward diversifying Safety Incentives and ensuring the long-term sustainability of the protocol.

## Potential Implementation

While technical details of the implementation will be discussed at a potential ARFC stage of this proposal, and current stage is meant to gauge community’s general interest, here’s a diagram of a possible implementation, redirecting GHO revenue from Collector contract (dao treasury) to a splitter contract controlled by governance.

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image

3996×2054 348 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/4/4ebd55e0580d9ab24148299a0fd2985d58da7ad4.png)

## Initial Parameters

We propose to set a potential “Gho Splitter” contract with

- 80% toward COLLECTOR contract (Aave DAO treasury)
- 20% toward REWARDS\_VAULT (controlling safety incentives)

## Next Steps

- Wait for GHO deployment AIP vote result (a NAY outcome will make the current TEMP CHECK irrelevant)
- Gather feedback from the community.
- If consensus is reached on this TEMP CHECK, the proposal will be escalated to the TEMP CHECK Snapshot stage.
- If the TEMP CHECK Snapshot is successful, the proposal will be escalated to the ARFC stage for service provider feedback and implementation discussions.

## Disclaimer

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