

Proposal for the deployment of Aave V3 on the Polygon PoS Chain.

TL;DR Polygon offers unparalleled liquidity utilization, low gas fees, and very high transaction speeds – thereby allowing Aave v3 to reach maximum efficiency and efficacy. We host a rapidly growing number of DeFi protocols, increasing DAU, and we have just launched our DeFi For All campaign – a \$15 million initiative to increase the role of decentralized finance to the future of web3. We believe that the community and devs of the Aave v3 protocol will immensely benefit from all that Polygon has to offer, and deployment will only reap success.

Proposal

In March 2021, in light of the high gas fees imposed on Ethereum transactions, Aave had a successful v2 deployment on the Polygon PoS chain – our low gas fees, accessibility to NFT markets, and our native DeFi protocols allowed Aave to have tremendous success.

Under the umbrella of our DeFi For All campaign, we've expanded greatly into the DeFi and DeFi 2.0 markets and experimented with derivatives, stablecoins, and new-age DEX protocols – and we're excited to explore this next chapter with Aave. This is what we offer, and what Aave v3 can take advantage of:

1. **Liquidity Utilization:** Across top liquidity pools on Uniswap, Polygon has the highest volume traded, and greatest liquidity utilization. This trend was seen through comparison of similar liquidity pools as well, where the volume-to-TVL percentage was significantly higher than competitors.
2. **Low gas transactions:** Polygon PoS is committed to maintaining low gas fees for users and protocols. New users never have to worry about
3. **Scalability:** We've grown to support over 4500 dApps, our TVL skyrocketed 1000x from \$4.7M to \$5.7B, and this growth shows no signs of slowing down.
4. **Users:** We have 566000+ daily active users, which is vastly greater than many other L1 and L2 competitors.
5. **DeFi For All:** This \$15M program will support specific liquidity mining (LM) and protocol development efforts and will reward projects based on on-chain metrics. More details [here](#)

The campaign first started when Aave v2 launched on the Polygon PoS Chain. Polygon set aside 1% of MATIC tokens, for Aave's LM program in April 2021 to generate a healthy supply of assets on the lending pools. In just a month, the TVL on Aave-Polygon grew 100-fold to about \$5 billion and stayed in that range since. The Polygon money market accounts for half of the revenue contribution to Aave from its various multi-chain deployments. As that program winds up, emissions will be lowered every two weeks starting Jan. 25.

Aave v3 can benefit from the DeFi For All campaign, and could hopefully see growth similar to v2 in 2021.

Conclusion

Polygon is a rapidly growing "internet of blockchains", and one on which we hope Aave v3 could consider deployment. Our capital-efficiency, gasless transactions, and scalability could bring tremendous value to improve an already revolutionary protocol in Aave v3.

We will focus on an efficient migration from Aave v2 to v3 and replicate the prior success.

Reference - A great read by our internal research team on [Stablecoin adoption on AAVE v2](#).