

title: [TEMP CHECK] Defining the Service Provider & Delegation Platform Relationship

author: [@llamaxyz](#)

created: 2023-03-25

Summary

This publication introduces a discussion if entities can receive payment for being both a Service Provider and Delegate Platform.

Abstract

Within the Aave ecosystem there are numerous Delegate Platforms and several Service Providers. The prospect of becoming a paid delegate has emerged and this publication seeks to define the relationship between delegate and service provider in the context of receiving payment from Aave.

At the core of the topic, should a Service Provider that offers a Delegation Platform receive additional payment for providing the Delegation Platform service. Similarly, should Delegation Platforms who progress to becoming a service provider continue to receive delegation platform payments. How could Aave remunerate delegates who offer more than governance participation. Are these mutually exclusive payments or is the same entity able to receive payment for being both a delegate and Service Provider.

As Aave does not offer payment for providing a Delegation Platform, this conversation is pre-empting a future state within the community. By having this conversation now, it will provide clear indication of the communities sentiment to be factored into various contributors future plans whilst not adversely affecting any current contributor.

Motivation

A quick summary of Delegation Platforms which are either current or proposing to become a Service Provider:

- [ACI Delegation Platform](#)
- [ACI 6 Month Budget](#)
- [Llama Delegation Platform](#)
- [Llama <> Aave](#)

At the time of writing neither of the teams mentioned above are seeking payment for being a delegate.

There are numerous delegates within the Aave ecosystem which are supportive of delegates receiving payment for the service they are offering Aave. This has been mentioned in the comments on this [thread](#). Through passing conversations and reading over other governance threads, several current delegates are intending or considering contributing to Aave beyond participating in governance decisions.

With the emergence of the prospect for paid delegation and there already being service proviers with delegations platforms, there is the potential for Aave to provide payment to the same entity for being both Service Provider and Delegate. This publication does not present an opinion, as it affects the author, but seeks to kick start the conversation and will continue to update the post based upon community feedback.

From a budget perspective, Aave needs to consider the prospect of remunerating delegates and how this affects service providers with delegation platforms. Similarly, how would Aave reward delegates who provide a service beyond participating in governance.

To help kick start conversation, a few considerations are shared below:

- Delegation Platforms are providing a service to Aave and therefore should be considered service providers and thus rewarded for there efforts.
- Service Providers are sufficiently paid and any delegation platform should not receive additional payment.
- Delegation platforms represent an additional time commitment for Service Providers and should be consider worthy of a separate payment.
- Delegation Platforms may seek to submit AIPs and spearhead initiatives adding value beyond a voting service. Examples include supporting adoption of GHO and market marking services etc...

- AGD can be used to provide incremental payments to delegates who perform a service beyond voting participation
- Should Aave consider a potential voting delegation remuneration construct which recognises registered addresses with voting influence and how active they are within Aave governance. There are several iterations of this across the industry which can be researched and tailored to suit Aave. Would this approach include or exclude Service Providers.
- Delegation Platform may build a material voting base which then enables easier transition to becoming a Service Provider.
- Service Providers require proposal power to submit AIP and the emergence of delegation platforms may lead to teams losing proposal power preventing AIPs from being submitted. This may suggest a preference for Aave or stkAAVE holders to separate voting and proposal power delegation.

The above outlines some considerations for discussion in the comments.

Next Steps

Continue the discussion in the comment section below.

Based upon comments, crowd source several voting options which can then be presented to Snapshot as part of a [TEMP CHECK] and then used to shape an ARFC proposal.

The ARFC seeks to provide clarity on the communities outlook for delegates and service providers.

Copyright

Copyright and related rights waived via [CC0](https://creativecommons.org/licenses/by/4.0/).