The upgrade of the Aave governance model is ready to be submitted to AAVE holders in the form of an AIP.

Vote for this AIP will start today (12/11/2020), if you want to participate, you're invited to use the aave app UI :

[Aave app](#)

Aave - Open Source Liquidity Protocol

Aave is an Open Source Protocol to create Non-Custodial Liquidity Markets to earn interest on deposits and borrow assets with a variable or stable interest rate. The protocol is designed for easy integration into your products and services.

Direct vote with the contracts is also available, please refers to the dedicated documentation :

[docs.aave.com](#)

Voting & Governance

AIP content in short

- Implementation of the Aave Governance v2 smart contract

- Implementation of voting delegation and proposal power delegation

- Implementation of voting strategies with the inclusion of AAVE and StkAAVE

- Addition of voting and proposition power delegations on AAVE and SktAAVE

- Implementation of Executor entities

- Implementation of the Guardian

For further understanding of the new mechanisms introduced in this proposal, please refer to the following diagram:

[

image

1600×1174 130 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/1X/8ddc71fce4a7bf99376590e38cbd4f4f754ab19a.jpeg)

Relevant links

For more details on this AIP please refers to the associated ARC post [ARC: Activation of Aave Protocol Governance V2](#)

Please also find the content of the AIP-4 on the Aave public Github repo :

[github.com](#)

aave/aip/blob/master/content/aips/AIP-4.md

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aip: 4 title: Activation of Aave Protocol Governance V2 status: Proposed author: Marc Zeller (@marczeller) discussions: https://governance.aave.com/t/arc-activation-of-aave-protocol-governance-v2/1717 created: 2020-12-11 updated: 2020-12-11

AIP rationale

Aave V2 governance is inspired by delegation-based governance models already on the market, while introducing 3 key innovations and a new layer of resilience:

The introduction of a new concept in DeFi governance - the**segregation between voting and proposition power** to increase control and ownership of voting rights for AAVE holders. AAVE holders will have the choice between delegating proposal creation power to specialized actors while holding their voting rights; or even delegating them to another entity.

Voting strategies - The AAVE token exists and is used in the Aave ecosystem in a variety of ways. Through different voting strategies, AAVE in different forms can be used to vote and create proposals. In the initial implementation both AAVE and

stkAAVE holders will have voting and proposal creation rights. Voting strategies can be upgraded at any time through a governance proposal to include other forms of AAVE (i.e. aAAVE, staked AAVE/ETH AMM shares, etc.)

Multiple executor entities - Different components of the ecosystem might have different needs for consensus and security. For example, changing the AAVE token logic itself might have a large impact on the ecosystem and is something that requires higher consensus than adjusting a risk management parameter. The Aave governance V2 splits the control of different entities within the Aave ecosystem between different executors with different execution delays (timelocks) and different consensus parameters. At the beginning there will be two different executors:

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