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## Background:

Uniswap's [genesis liquidity incentive program](#) ends on Nov 17. The existing program distributed 20 million UNI to LPs over 2 months, split evenly between the WBTC/ETH, USDC/ETH, USDT/ETH, and DAI/ETH pools. This works out to 2.5 million UNI per pool, per month.

## Benefits of UNI distribution to LPs:

- Ongoing incentives allows UNI to be distributed to those providing value in the form of liquidity
- The incentivized pools are likely to remain the most liquid DEX pair on Ethereum, providing a venue to trade against ETH at virtually any size with zero slippage.
- Reduced incentives prevents UNI from being distributed 'too fast', marked by all tokens being distributed before the Foundation's four year vesting has passed.

## Drawbacks of UNI distribution to LPs:

- Ongoing incentives result in UNI largely being 'farmed and dumped' to earn yield. See ETH USD Yield Farm, Pickle, Harvest and Alpha.
- Reduced incentives means UNI is distributed slower.
- Incentivizing the same pools can be seen as choosing 'winners' by selecting WBTC as THE Bitcoin on Ethereum and favoring certain stablecoins over others.

## Proposed new distribution:

Distribute UNI for an additional 2 months from the time this proposal is adopted and executed by governance. Distribute to the same 4 pools, but at half the rate of the genesis distribution. This works out to 1.25 million UNI per month to each of the 4 covered pools (WBTC/ETH, USDC/ETH, USDT/ETH, DAI/ETH), for a total of 5M UNI per month, or 10M UNI total over the next 2 months.

Please see the liquidity incentive [governance plan document](#) for full details and timelines.

## Temperature check question:

Should Uniswap distribute UNI to liquidity providers per the specifications outlined above?

[Snapshot poll](#)

## Next steps:

The snapshot poll will be live for 3 days, from 20:00 UTC on 16 Nov to 20:00 UTC on 19 Nov. If the poll passes with a minimum of 25,000 UNI in support, this proposal will move forward to the consensus check phase. Details about the Uniswap governance process can be found [here](#).