Summary

Enable the 💎'[$BABL Mining Program]'💎, allocating **50% of the total supply, or 500K tokens,** to Babylon participants over the next 10 years.

The intent is to distribute $BABL tokens to the users of Babylon in accordance with the value they provide to the community.

Status & Process

- The proposal is currently formalized on-chain.
- Discord will be used first to discuss this proposal with the community.
- After some consensus has emerged, an on-chain proposal will be created using Tally.

https://www.withtally.com/governance/babylon

Summary

This proposal is based on the idea presented by the team a few months ago in the following post $BABL Mining Program.

500K tokens to be distributed over 10 years. Emissions are the highest during the first few months and then slowly taper until the completion of the proposed program.

The goal of the mining program is to **align the incentives of all the participants**. In order to do so, we propose rewarding Babylon users with the following principles in mind:

1. Idle capital should not receive rewards.
    a. Only capital that has been allocated to active strategies should be eligible for rewards.

2. Rewards will be calculated and distributed on a per strategy basis.
    a. Whenever a strategy is finalized, rewards will be distributed to the garden members, the stewards that participated in the voting process, and the strategist that created it.

3. Strategies with a greater ROI will receive a larger portion of rewards.

4. Strategies with larger amounts of capital deployed and those that run for longer durations will receive a larger portion of rewards.

5. Strategies that result in losses will provide $BABL rewards to LPs and only to the voters that downvoted the strategy.

6. Voters should receive $BABL rewards based on their voting power.

7. The suggested breakdown for the participants would be as follows:

    a. Strategist = 10% $BABL
        - Rewarded for *proposing* the executed strategy.

    b. Voters = 10%$BABL
        - Rewarded for *providing signal* on the executed strategy.

    c. LPs = 80% $BABL
        - Rewarded for *funding* the executed strategy.

    d. Creators*
        - Receive a bonus as part of the strategist or voter role. That bonus will be 1.10x of the normal amount.

You can see a Monte Carlo simulation of 200 strategies and their corresponding rewards here

Specification

The full code of the $BABL rewards program can be found in this gist.

Note that the full protocol will be open-sourced at a later date.

Details and formulas behind the program can be found here.

References

[1] https://medium.com/babylon-finance/babl-mining-program-4829c313268d

[2] https://mobile.twitter.com/ramonrecuero/status/1374711554856259586

[3] https://docs.babylon.finance/babl/tokenomics

[4] Monte Carlo Simulations

[5] Full Proposal Details