

[BIP-XXX] Arbitrum LGP and STIP Adjustments

Background

Balancer was awarded 1.2 million Arbitrum as part of the Arbitrum Short Term Incentives Program (STIP) to be paid out between November 11th and January 16th. The [program](#) is being paid out in [biweekly chunks of 205,814.8 \\$ARB](#) based on [boost modified veBAL voting](#).

After a number of weeks of the program in operation, this BIP seeks to make a few modifications to the program in order to increase its effectiveness, and enable our current major strategic focus of supporting interest bearing liquidity.

Proposed Changes

Dynamic Boost

When looking at the pools receiving veBAL there is a clear differentiation. Some pools are growing based on \$ARB yields, generating decent volume and or fees and are examples of what we hope to see with STIP. Others seem to be more yield farming plays, with basic ERC-20 tokens that don't generate much volume, engage with advanced balancer tech, or generate fees through our core pools program.

The STIP was designed to allow everyone an opportunity, but we want to leave space for real innovation and not have access to STIP rewards be made over-competitive by yield farming profit maxis.

The Dynamic Boost is the facility in place to manage this. The original STIP proposal mentioned a capping the dynamic boost at 3. This was never implemented due to an oversight when translating the grant proposal to a code spec. We propose continuing to operate with no cap on dynamic boost. Further we propose that the Balancer Maxis be given th

Further, we propose multiplying the dynamic boost by 3, in order to allocate more \$ARB towards pools that have a better ration of fees generated to emissions paid. Here is a [sheet that shows the last round before and after the 3x along with color coded deltas](#):

Specification

- 3* will be added to the dynamic boost calculation formula

...

```
# Calc
```

symbol	%veBAL boosted	%veBAL no boost	\$ARB Distributed	\$ARB with 3x boost	2x Delta	3x Delta	pctDistribution	1x boost	staticBoost	1x dynamicBoost	cap
RDNT-WETH	9.36	1.30	20,571.48	23,435.09	3.05%	13.92%	10.00	7.21	1.50	6.71	10%
DOLA/USDC BPT	1.58	1.55	19,860.86	20,571.48	3.58%	3.58%	9.65	1.01	1.00	1.01	10%
wstETH/rETH/cbETH	1.22	0.30	17,989.48	19,633.05	3.51%	9.14%	8.74	4.03	1.75	3.28	20%
rETH-WETH-BPT	1.72	0.53	16,905.88	16,731.45	-2.65%	-1.03%	8.22	3.23	1.75	2.48	20%
50GOLD-25USDC-25WSTETH	6.25	5.87	16,457.18	16,457.18	-2.07%	0.00%	8.00	1.07	1.00	1.07	8%
ankrETH/wstETH-BPT	1.45	0.50	15,103.15	15,203.43	0.26%	0.66%	7.34	2.89	1.75	2.14	20%
4POOL-BPT	0.23	0.02	13,551.46	15,201.86	7.62%	12.18%	6.59	10.11	1.00	10.11	10%
wstETH-4POOL	0.00	0.00	11,250.00	14,396.45	17.28%	27.97%	5.47	1.50	1.50	1.00	10%
50MAGIC-50USDC	0.81	0.35	10,981.71	12,304.60	19.59%	12.05%	5.34	2.33	1.00	2.33	10%
wstETH-WETH-BPT	0.93	0.16	9,975.43	11,250.00	12.78%	12.78%	4.85	5.80	1.75	5.05	20%
D2D-rETH	0.72	0.72	8,504.53	8,407.55	-2.09%	-1.14%	4.13	1.00	1.00	1.00	10%
80OVN/20wUSD+	0.64	0.63	8,402.46	5,275.78	-22.62%	-37.21%	4.08	1.03	1.00	1.03	10%
plsRDNT-Stable	0.55	0.22	7,693.69	5,253.29	-16.73%	-31.72%	3.74	2.57	1.75	1.82	20%
STAR/USDC-BPT	0.66	0.66	7,427.13	5,063.42	-23.03%	-31.83%	3.61	1.00	1.00	1.00	10%
55auraBal-45wsteth	0.62	0.56	6,775.13	4,659.45	-15.67%	-31.23%	3.29	1.10	1.00	1.10	10%
GOLD-BAL-AURA-wstETH	2.19	1.96	4,114.30	4,114.30	0.00%	0.00%	2.00	1.12	1.00	1.12	2%
50BTC-50WETH	0.31	0.21	3,567.20	3,712.90	2.54%	4.08%	1.73	1.49	1.00	1.49	10%
wstETH/rETH/sfrxETH	0.38	0.22	3,489.56	2,059.03	-25.86%	-40.99%	1.70	1.75	1.75	1.00	20%
80PAL-20OHM	0.18	0.18	2,256.81	1,411.28	-22.40%	-37.47%	1.10	1.01	1.00	1.01	10%
DUSD-4POOL-BPT	0.09	0.08	828.72	556.44	-20.72%	-32.86%	0.40	1.07	1.00	1.07	10%
50DFX-50WETH	0.00	0.00	8.65	16.77	60.63%	93.88%	0.00	20.18	1.00	20.18	10%

ulate dynamic boost. Formula is `[Fees earned/value of bal emitted per pool + 1]`

dollar_value_of_bal_emitted = (weight / 100) * emissions_per_week * bal_token_price

if dollar_value_of_bal_emitted != 0:

dynamic_boost = (pool_protocol_fees.get(gauge_addr, 0) / dollar_value_of_bal_emitted) + 1

else:

dynamic_boost = 1

...

`dynamic_boost = ((pool_protocol_fees.get(gauge_addr, 0) / dollar_value_of_bal_emitted) + 1)*3`