Allocation of Funds - Interlay Labs Grants Program Trial

Background:

Interlay recently launched the Interlay Labs Grants Program , focusing on **funding software development and research efforts related to Interlay and Kintsugi**. Interlay Grants will be awarded to teams and individuals who bring value-added projects to the Interlay ecosystem, creating a strong community of incentivized tech contributors.

The program launched in a trial phase in December 2022 and two projects have been onboarded (see below).

Brief

This proposal suggests to reserve 350,000 INTR tokens from the treasury to awarding the first two recipients of Interlay Grants (upon project/milestone completion)

This initial proposal does not make any payment, it is only to approve the allocation of funds for the Grants Program. All future payment requests will be submitted by grantees as follow-up governance proposals.

This process (pre-approve budget for n grants, then individual applicants submit payout requests) is being tested as the go-to approach for future grant projects.

Detail

To kickstart the Interlay Labs Grants Program, two items of Request for Proposals (RFP) were promoted for application:

- **RFP 1: Analytic Dashboard for Lending Market and AMM**
    - **Link:**https://www.notion.so/interlay/Closed-Analytic-Dashboard-for-Lending-Market-and-AMM-dbfb8e3a30e14beebe6f0290a6f67dc0
    - Grant Size: 5000 USD (approx. 210000 INTR on date of writing Jan 18th 2023)
    - **Milestone delivery:**
        - **Milestone 1:** (3000 USD worth of INTR)
            - Implementation of Squid V1
                - Single point data (market overview, market details, and whale watcher)
                - All loan markets and events associated with loan markets, such as loans and deposits
                - USD-equivalent values at the time of the event will be pulled from on-chain OracleUpdate events.

- - Interest will be tracked across loan markets and denominated in its original and human-readable token
  - **Milestone 2:** (2000 USD worth of INTR)
    - Implementation of Squid V2
      - More accurate calculation of qToken values
      - Tracking liquidation events
    - Grafana integration
      - Total value locked
      - Loans activity over time
      - Liquidations over time
      - Whale watcher
    - Final delivery
      - Glossary
- **RFP 2: Lending Liquidation Bot**
  - **Link:**https://www.notion.so/interlay/Lending-Liquidation-Bot-35dc0b921df84f5f88964a27fd0642cd
  - Grant Size: 1500 USD (approx. 63000 INTR on date of writing Jan 18th 2023)
  - **Milestone: Final delivery**

The total amount of 350,000 INTR will be reserved for the following purposes:

- funding for the two RFP items mentioned above,
- excess tokens to ensure full coverage of grant size in dollar value in case of price fluctuations

This proposal does not involve any transfer of funds. Its purpose is simply to gather support and approval from the community for using treasury funds to pay out the contributors of the Interlay Grants Program. The payment of each Grant will be subject to treasury proposals specific to the project.