



# Spark IBC

AN INTERCHAIN COMMUNITY FUND

V1.0 Whitepaper



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## Abstract

Spark IBC is a charity organization built on the Juno Network that focuses on supporting the Interchain Ecosystem of IBC connected blockchains through efforts including, but not limited to:

- Promoting Decentralization
- Dev and Validator (infrastructure) support
- Hack & Exploit remittance
- Marketing & PR
- General end-user support
- Funding of community & infrastructure oriented projects

There are **two** types of funds that may accrue donations for these and other efforts:

A **General Fund**, which can be donated to at *any* given time which Spark IBC will pull from as needed for various, often small funding needs.

In addition, during set time periods, donors are able to contribute to a specific effort through the **Campaign Fund**. We imagine this will be the option the majority of users will interact with most.

Spark IBC's main features revolve around its non-transferable cw20 token which acts as a sort of points system that tracks a given wallet's contribution to the ecosystem. This comes with two benefits: one, a measure of *reputability*, and two, a mechanism that incentivizes donations through basic *gamification* principles. Both of these benefits may evolve to manifest themselves in a variety of ways, but upon launch, it will mainly be centered around the Spark IBC Leaderboard. Here, people can see how they stack up against others in terms of donations, as well as see the top donors for both private wallets as well as validators.

Users will be able to sign an on-chain transaction to customize the way their entry appears in the leaderboard, including the ability to replace your wallet address with a nickname, and pick which of the many NFT badges you may have earned during your time with Spark that you want to display next to your nickname.

Both the reputability and the gamification system are expanded upon in this paper, as well as on our **Medium Blog**.



## Custody and Trust

For Campaign donations, funds are held in a multi-sig wallet controlled by Spark IBC when necessary, but when applicable, our preference will be for donations to automatically be routed to the receiving party. Donors can see where funds will be sent on a per-campaign basis by looking at the campaign details.

For donations to the General Fund, assets are sent to a multisig wallet that Spark IBC does not hold majority voting power over, which includes well-known, chain-agnostic community contributors.

As an important note, Spark IBC is NOT a DAO. This is by design and was a decision we arrived at after much deliberation. This model simply fits our vision best. Spark IBC should be looked at more like a traditional charity that both utilizes and focuses on blockchain tech and decentralization, specifically within the IBC/Cosmos ecosystem. We are eager to explain why we feel this model works best, but believe it is outside the technical scope of this white paper. Please follow our [Medium](#) for info on this topic, and feel free to reach out to and engage with us on any social media platform we have a presence on.

## Rewards and Incentives

While donors may occasionally get rewards other than Spark Points and badges for contributing to specific Campaign projects, this is in no way guaranteed nor should ever be seen as the primary motive for donating. The real incentive for using Spark IBC, aside from funding important interchain efforts, is raising your Spark Score by earning Spark Points. In the current model, users will donate to either of the two Spark IBC funds with USDC, though we will explore other funding options later down the road. Donors are then credited with our cw20 Spark Token (known as Spark Points) relative to the USD value of their contribution, on a 1:1 minting rate.

For example, let's say there's a contest promoting decentralization being run by a third-party entity that Spark IBC wishes to support. A user could donate 50 USDC on the Spark IBC website, the funds would be automatically forwarded to the contest's wallet, and the donor would get 50 cw20 \$SPARK tokens minted in their wallet, in addition to any extras, such as NFT badges, when applicable. Expanded on in the [Spark Points \(tokens\)](#) section.



## Spark IBC Campaign Fund

The Spark IBC Campaign fund will be a donation channel that is available to users via the Spark IBC website during certain time periods where Spark IBC is focusing its efforts towards one specific cause or project. We intend for the majority of donations to flow through this channel, as one of the benefits a project or cause could reap from partnering with Spark IBC is our marketing reach. Spark IBC intends to be an active presence in the community, and as such, can help bring new attention and donors to many efforts throughout the Cosmos. In addition, Spark IBC will host its own fundraising events and efforts, though whether this ends up comprising the bulk of the campaigns or not will be determined over time.

When applicable, users' donations will be routed straight into the donation recipient's wallet. Other times, the funds may be kept in a multi-sig wallet controlled by the Spark IBC team until such a time as they can be properly allocated.

## Spark IBC General Fund

The Spark IBC General Fund will be available at all times for users to contribute to. This fund will be used as a general-purpose pool of funds that will get allocated to a variety of purposes as applicable.

The General Fund will be held in a multi-sig wallet, and Spark IBC retains the right to spend these assets as it sees fit, so long as it falls under Spark IBC's overarching goal of improving the Cosmos. To ensure funds are only used in accordance with these goals, Spark IBC will not hold majority control over the multisig.

At times, we may put the usage of these funds to a vote from the community. However, this will be purely to gauge support and interest and does not constitute a guarantee of funds being used (or withheld) in alignment with said vote.

**The General Fund will be used for purposes including but not limited to:**

- Small community contests
- Subsidizing (certain) campaigns that fall short (within 10%) of funding goals
- Hack & Exploit remittance
- Minor infrastructure incentives (e.g. buying a deserving validator better hardware)
- Incentivizing campaigns & other efforts



## Spark Points (tokens)

The Spark Token is a cw20 on the Juno Network. Unlike most “cryptocurrencies” it is non-transferable, this is because we don’t need a token that can be traded or that necessarily has any “value”. In fact, we wanted to ensure the only way someone could acquire Spark was through donating to IBC-oriented causes. We just wanted a simple but reliable points/reputation system to acknowledge the kindness of our donors, and so we decided to build that model with built-in immutability and transparency using the Juno blockchain. For this reason, in all resources going forward, Spark IBC will call them Spark *Points* instead of tokens, and we encourage the community to do the same.

Spark Points will be able to be added to and seen in your wallet (Keplr, Cosmostation, etc.) like any other token, but you can also see your Spark Score along with your ranking on the Leaderboard page of the website. Here, you can see how you stack up against other Cosmonauts, see the top donors of all time, as well as customize your entry on the leaderboard in a variety of ways.

In the future, we hope to also reward our donors in non-monetary ways for their contributions, namely by making their experience on other Dapps throughout the interchain more fun. This could take the shape of certain UI elements having a different design, your profile on apps like DeNS and Howl having more customization options, and even some apps having added functionality or QoL features, all reserved for users who have donated through Spark IBC!

While these features are fun and help to gamify the contribution experience, we think the tokens can serve another purpose, namely as some measure of reputability. The leaderboard page will be split into two parts, one for private wallets, and one for validators (and *possibly* projects.) This gives users yet another metric to look at when deciding on a validator to stake with, in that they can see how much that validator has given back to the ecosystem.

## Resources

Website - [Sparkibc.zone](https://sparkibc.zone)

Twitter - [twitter.com/SparkIBC](https://twitter.com/SparkIBC)

Discord - [discord.gg/QsZMPgUmvZ](https://discord.gg/QsZMPgUmvZ)

Medium - <https://medium.com/@SparkIBC>

Telegram - <https://t.me/+OQy0jks3Dhs0NDBh>