

Blockchain-based Community Currency Doubles Local Economic Impact

The Encointer pilot in Dar es Salaam, Tanzania combines blockchain with tradition to strengthen community resilience and build grassroots economic growth.

ZURICH, SWITZERLAND, November 12, 2025 /EINPresswire.com/ -- [Encointer](#), a Swiss-based NGO enabling a global unconditional basic income for all humans, has released new insights from its pilot project in the [Nyota](#) community of Dar es Salaam, Tanzania. The initiative demonstrates how blockchain-based systems, when combined with local cultural practices and targeted cash transfers, can boost local trade, strengthen community resilience, and thereby enhance the effectiveness of development aid. Combining cash transfers with Encointer's local community currencies multiplied the economic impact of the cash transfers by 240% . The pilot in Dar es Salaam is a collaboration between Encointer and the local NGO Jukumu, which is dedicated to combating poverty by addressing it at the community level.



Nyota community in Dar es Salaam

Launched in late 2023, the Nyota community currency has grown organically within a district. As of today, more than 100 participants are active in this emerging local economy, co-creating innovative ways to strengthen livelihoods. For example, Aisha, who runs MoZa Cosmetics, expanded her customer base from around 15 to over 40 clients per month through the Nyota community currency.

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Malik El Bay

The Nyota pilot combines two innovative methods to strengthen local economies. Both approaches start with direct cash transfers using blockchain systems. In the first approach, the donations go directly to individuals. These individuals then

pool their small cash transfers using Mchezo, the region's traditional rotating savings and credit system. With the pooled resources, they fund small local businesses in areas such as tailoring, food production, and retail. In the second approach, cash transfers fill a reserve that secures the issuance of the local digital currency. The reserve allows the community currency to be exchanged for national currency when needed. As a result, the local digital currency keeps circulating within the community, and the cash transfers from external sources enable local economic activities.

Demonstrated Impact and Outlook

The pilot already demonstrates tangible, real-world impact, as shown in the newly released video and project documentation. Alinagwe Mwaselela reflects on the transformation: "Now we see the community relationship between members is very strong. The use of Nyota currency has increased savings and reduced the cost of getting good products and services."

These materials illustrate how the Nyota community uses the Encointer system to grow small businesses, strengthen social ties, and stimulate local trade. Building on these successes, Encointer is preparing to scale its model. "The Nyota pilot shows how local trust, innovation, and collective action can create real economic resilience," says Malik El Bay from Encointer.

The team is now conducting deeper impact assessments through community surveys and transaction analysis, while integrating savings groups and community-backed microloan mechanisms directly into the smartphone application, making tools pioneered in the Nyota pilot accessible to new communities. Encointer is also expanding partnerships with NGOs, donors, and local governments to pilot the models at a larger scale. The first successes are already visible in [Nigeria](#), where a new community has adopted the Encointer system and begun building its own local economy based on the same principles.



Logo Encointer



Zaria Impression

About Encointer

Encointer is a Swiss-based NGO developing open-source tools that enable communities to issue and manage their own local digital currencies. Its protocol combines proof-of-personhood, democratic governance, and demurrage-based economics to encourage circulation and foster inclusion. Encointer's vision is to make Web3 genuinely inclusive, bringing the long tail of users, especially in the Global South, into the digital economy.

Watch the pilot video (7 minutes) https://youtu.be/4_u7J64MFaE

Watch the short version (2 minutes): <https://youtu.be/i9NV6iErKfQ>

Blockchain meets tradition: Encointer pilot in Dar es Salaam, Tanzania

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