

Blockchain for Regeneration Webinar series



University of
Dar es Salaam





Week 2: Stablecoins & NFTs (Beyond the hype)

Agenda

- **What are Stablecoins?**
- **Types of Stablecoins.**
- **What problem do Stablecoins solve?**
- **What are NFTs**
- **Some examples of high-profile NFT sales**
- **Broader applications of NFTs**
- **Conclusion and Reflection**

What are Stablecoins?

Investopedia defines stablecoins as cryptocurrencies which have value pegged or tied, to that of another currency, commodity or financial instrument

What are Stablecoins?

They are digital currencies designed to minimize price volatility, usually by pegging their value to an underlying asset like fiat currency or commodities.

Types of stable coins

- Fiat-collateralized stablecoins.
- Crypto-collateralized stablecoins.
- Commodity-collateralized stablecoins.



Flat-Collateralized

Fiat collateralized stablecoins are a type of stablecoin that are backed by and pegged to a reserve of traditional fiat currencies, such as the U.S. dollar, euro, or yen. e.g BUSD, USDT



Commodity-Collateralized

Commodity collateralized stablecoins are a type of stablecoin that are backed by and pegged to a reserve of tangible assets, commonly known as commodities. These stablecoins maintain their stability by holding a specific quantity of a particular commodity in reserve for each unit of stablecoin in circulation.



Crypto-Collateralized

Crypto-collateralized stablecoins, also known as crypto-backed stablecoins, are a type of stablecoin that are backed by and collateralized with other cryptocurrencies. Unlike fiat or commodity collateralized stablecoins, they do not rely on traditional assets or commodities for value stability.

What problems do stablecoins solve?

- Price Volatility
- Medium of Exchange
- Accessibility and Financial Inclusion

Price Volatility

One of the primary issues with cryptocurrencies like Bitcoin is their significant price fluctuations.

Stablecoins aim to provide a stable value, usually pegged to a specific asset or currency, such as the U.S. dollar or a basket of currencies. By maintaining a stable value, stablecoins enable users to store and transfer value without worrying about sudden price changes.

Medium of exchange

Price stability makes stablecoins suitable for daily transactions and acts as a medium of exchange within decentralized applications (DApps) and cryptocurrency ecosystems. Users can use stablecoins for remittances, payments, and commerce without the risk of value loss during transaction settlement.

Accessibility and Financial Inclusion

Stablecoins can improve financial inclusion by providing a digital representation of fiat currencies accessible to people worldwide. These cryptocurrencies enable individuals in regions with limited access to traditional banking services to participate in the global financial system. Stablecoins can facilitate cross-border transactions, and remittances, and provide a stable savings mechanism for those with unstable local currencies.

What are NFTs?

An NFT (or a non-fungible token), is a unique digital asset that lives on the blockchain and can be bought and sold.

What are NFTs?

One of the benefits of owning an asset like an NFT on a blockchain is the transparency of data ownership and accessibility. Because a blockchain is a decentralized system.

NFTs Beyond the Hype

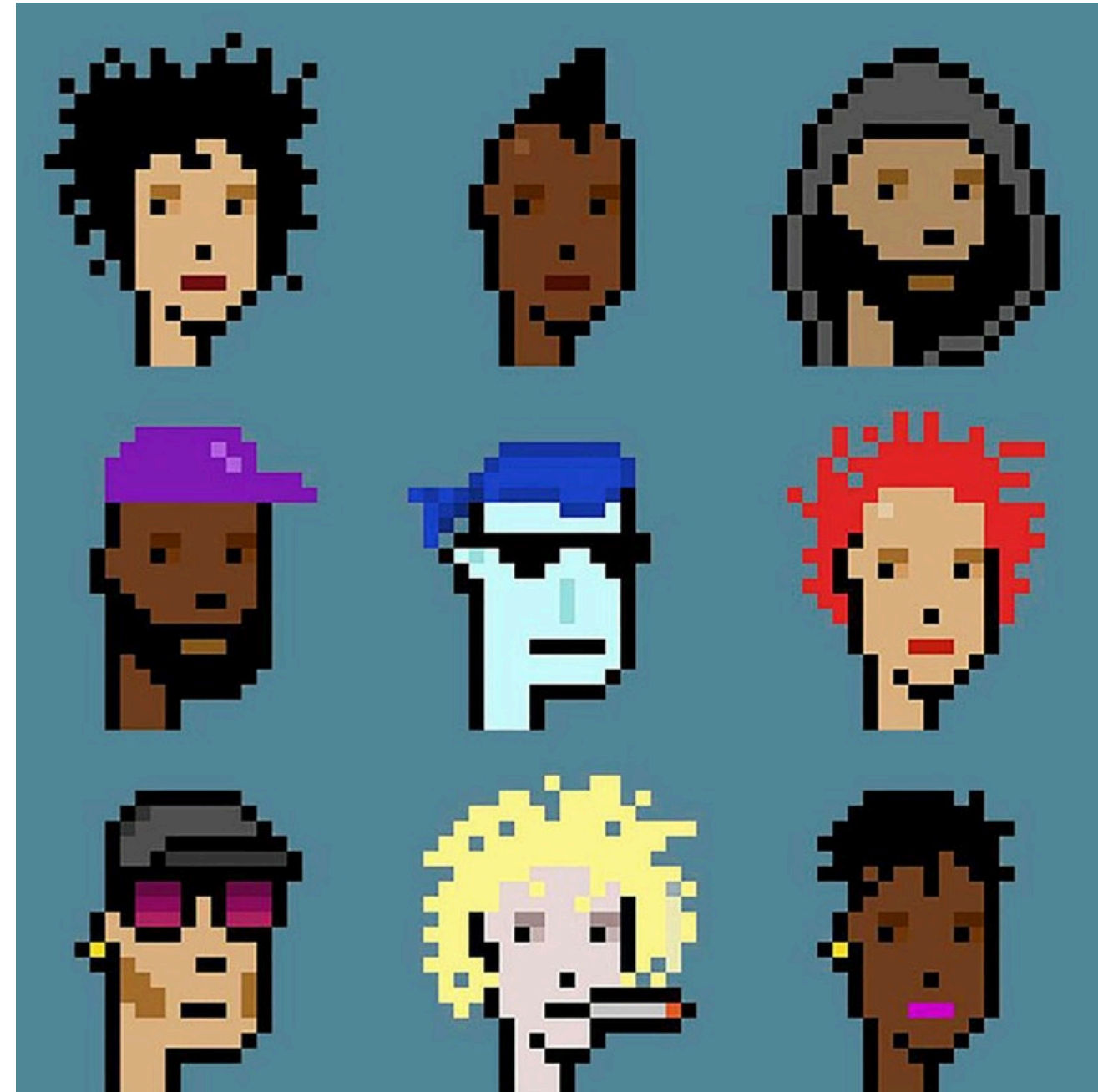
There has been a LOT of hype and speculation circulating NFTs since 2021...

But more creators and platforms are expanding and exploring practical use cases from peer-to-peer and peer-to-business initiatives.

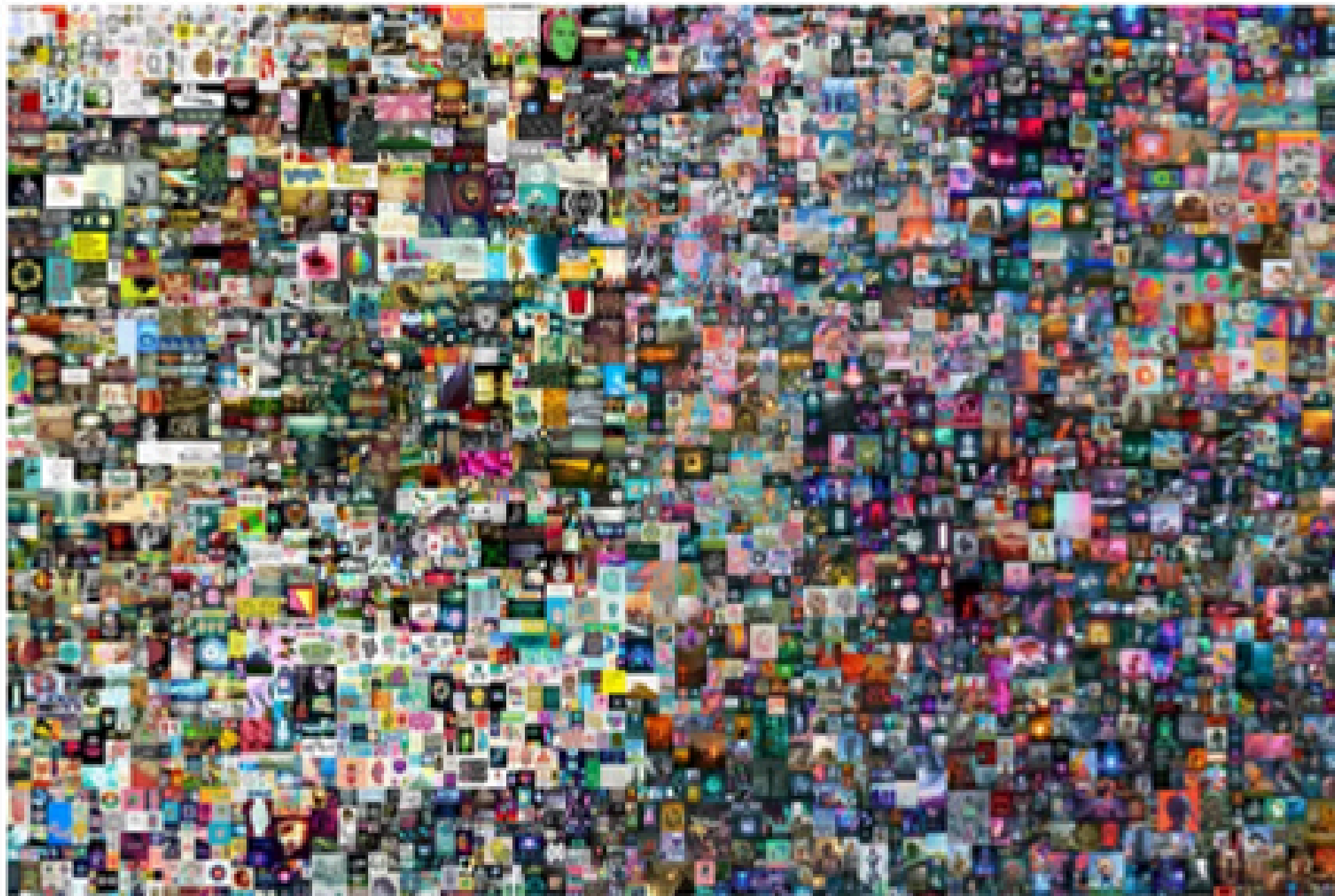
High-profile NFTs.



High-profile NFTs.



Beeple sold an NFT for \$69 million



Beeple's collage. *Everydays: The First 5000 Days*, sold at Christie's. Image: Beeple

/ Through a first-of-its-kind auction at Christie's

By [Jacob Kastrenakes](#), a deputy editor who oversees tech and news coverage. Since joining The Verge in 2012, he's published 5,000+ stories and is the founding editor of the creators desk.

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Nfts in Music

Where a regular NFT is typically just a visual asset, a music NFT has a musical component as well as a visual one. This can lead to new economic models in the music industry e.g.

- **Fans as Investors**
- **Fans as Fans**

NFTs in virtual real estate

In virtual worlds or metaverses, digital land represents areas where users can create, build, and interact with virtual objects and experiences.

Here, NFTs can be used to represent ownership of specific plots of digital land. Each NFT can correspond to a unique piece of virtual real estate.

NFTs in ReFi

Each carbon credit can be represented as a unique NFT on a blockchain.

tokenization, such as enhanced transparency, immutability, and efficient transferability of carbon credits.

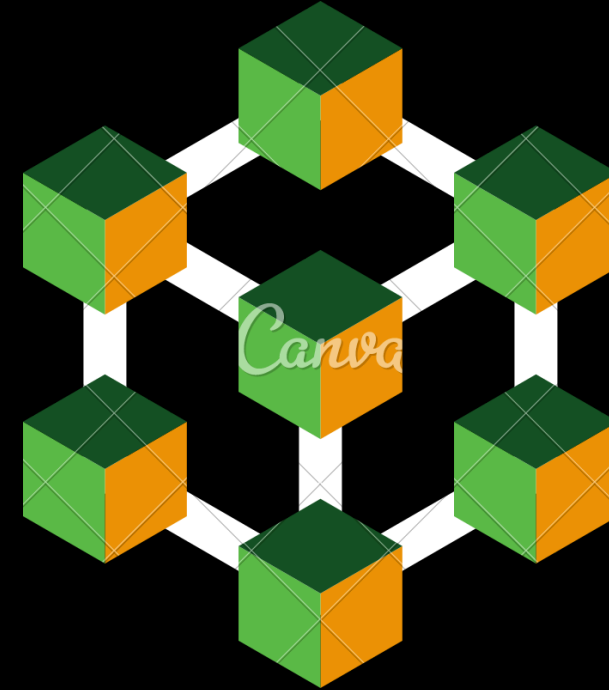
tokenization can streamline the verification and auditing processes, making it easier to track the lifecycle of carbon credits and ensure their legitimacy.

What we've Learned!

- I know what Stablecoins are!
- I know what problem Stablecoins solve.
- I know what NFTs are.
- Some of the broader applications of NFTs



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Thank you..