



## CASE STUDY

# I-Futur, the fintech that is redefining digital payment in Niger



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Its digital payment aggregation platform, iPayMoney, brings together the services of major digital and electronic payment providers, making them accessible in a seamless and interconnected way. The system is deployed with vendors and other commercial services.

Goal: To establish a comprehensive electronic money distribution system across the country.

“What we’re bringing to the table is a revolution in the market,” explains Sidikou Boubacar, CEO and co-founder of i-Futur fintech, enthusiastically from his office in Niamey. “This revolution is the network of shared agents. Previously, the distributor had to have three to six SIM cards for each of the main mobile operators, which are Airtel Money, Zamani and Moov Money in Niger. They also had to have phones that supported several SIMs, or own several phones. We told them, forget about those SIMs; we’re doing away with the SIM card concept”, continues this ICT specialist, passionate about innovation and digital transformation.



Sidikou Boubacar, co-founder and CEO of the i-Futur fintech, Niger © i-Futur

Since the summer of 2022, i-Futur has been rolling out a new service called Biyan Zamani (modern-day payment in French) and its innovative iPayMoney solution in Niamey, the capital of Niger, and its immediate suburbs, to vendors, retailers, phone credit sellers, pharmacies, clinics, restaurants, supermarkets, gas stations and public service companies. The goal is to multiply electronic money payment acceptance points in the Nigerien capital and eventually throughout the country.

The iPayMoney solution is both a digital platform for electronic money services and a payment aggregator.



“ We are doing away with the SIM card concept. ”

Designed by i-Futur, this solution provides access to several cash-in, cash-out and money-transfer channels: mainly Mobile Money, but also money transfer companies (STA) and, to a lesser extent, bankcards, which are still not widely used in the country. Electronic payment terminals (POS), running on Android or web-based USSD (Unstructured Supplementary Service Data) architecture, are made available free of charge to vendors and distributors to facilitate transactions with their customers. A mobile application and a dashboard enable them to track transaction history and easily reconcile all their operations.

An IT and telecoms engineer by training, with a background in the Orange telephone group, Sidikou Boubacar set up the i-Futur company in 2015, in which he holds 75 percent of the capital, alongside Eric Degboe, his partner. The company now employs 25 people. It has made a name for itself with the launch of its electronic money wallet and the successful completion of several digital projects and digital payment services for distance learning with the NGO Oxfam and in the education sector on behalf of the Nigerien government (organization of the baccalaureate, launch of iPaySchool to pay school fees, a module for managing research teachers in particular). Against this backdrop, and in line with Niger's desire to accelerate the country's digital transformation, and as part of the “Digital Financial Services for Resilience” (DFS4Res) programme, a partnership was set up in 2022 between i-Futur and the UN Capital Development Fund (UNCDF), to develop the digital financial services (DFS) ecosystem and inclusion through the expansion of the distribution network and the development of electronic payment acceptance points in Niger.

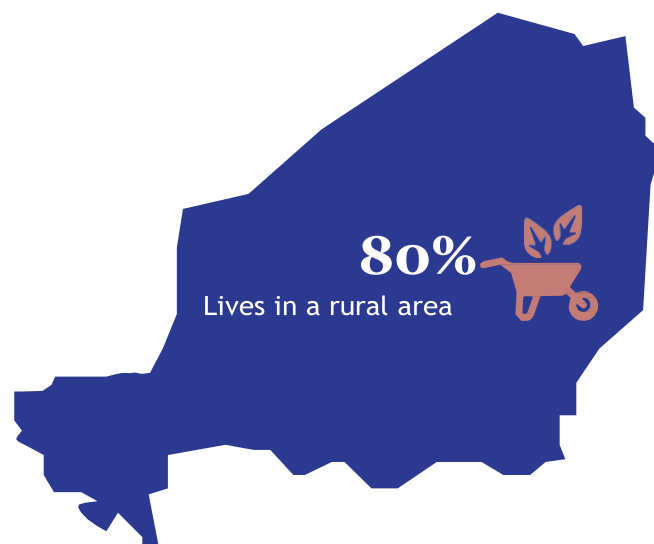
The DFS4Res programme is a joint initiative of the European Union (EU) and the Organisation of African, Caribbean and Pacific States (OACPS), launched in the aftermath of Covid-19. Implemented by UNCDF, DFS4Res aims to deploy digital finance solutions at scale to make economies and societies more resilient to external shocks.

## A shared agent model which facilitates territorial deployment

This partnership was, for i-Futur, an opportunity to demonstrate its solution, expand its network of vendors and agents, but also to bring innovation to the digital services sector and reach populations in remote areas – something that would not have been possible without UNCDF's involvement. Niger is the largest country in the West African Economic and Monetary Union, with over 80 percent of its population living in rural areas. This presents many geographical, technical, and financial challenges. For mobile money operators, microfinance institutions (MFIs), and banks, building a dedicated network of electronic money agents that is stable and profitable is a real headache. In response, the shared agent business model proposed by i-Futur drastically reduces the cost of managing agent networks and strengthens the providers' territorial presence. This shared or distributed agent model generally relies on an already existing network of vendors, entrepreneurs, food vendors, etc. The new services offered through the i-Futur platform complement an existing activity. These vendors are numerous and closer to the rural population, thus, infrastructure and labor costs are thus reduced

## Supporting the development of innovative solutions

To bring this project to fruition, UNCDF provided a grant of €66,760 and technical assistance worth nearly €9,000, equivalent to 64 per cent of the total project cost (€115,600). The company i-Futur itself paid more than €28,380 and contributed €22,524 in kind. "i-Futur had an almost ready solution. They were very innovative and had started working with the government. That's why we wanted to form a partnership. In addition to the grant, we notably helped them obtain PCI DSS (Payment Card Industry Data Security Standard) certification,



“ Shared agent business model reduces network management's cost and fosters suppliers' territorial presence. ”

which is the payment card industry's security standard to meet the highest requirements for protecting customers' account data.

This international certification, established by the main card networks—Visa, Mastercard, and American Express—is mandatory to issue a bank card. i-Futur is now the only Nigerien fintech certified PCI DSS”, highlights Olivier Yara, Digital Finance Specialist at the UNCDF Niger office. This PCI DSS standard includes requirements for security management, procedures, network architecture, software design and other safeguards to reduce the fraudulent use of payment instruments.

UNCDF's support for the development of innovative solutions introduced by i-Futur has also resulted in the implementation of an application integrating almost all SFN players in Niger. Deployed on EPTs and smartphones, this application is now helping to streamline transactions. Another important aspect of the partnership has been the development of i-Futur's e-commerce platform, on which vendors can open accounts and receive payments via ipay Money.



## Smooth e-money transactions

On the ground, vendors and distributors of i-Futur's solutions have been won over. i-Futur's POS terminals are very easy to use, adapted to the context of Niger, where the literacy rate remains low, at 38% by 2022, according to the latest UNESCO figures. Without having been to school, a customer can interpret the information without difficulty. "I hand over the device to the customer, who types in their telephone number on the POS terminal, and then I confirm that the money has been sent. It's very easy to use," says Mariama Nouhou, a 27-year-old shopkeeper.

Sheltered by her red kiosk, Mariama sells chocolates and cookies, and has recently started offering iPayMoney services. "People mainly come at lunchtime around 1pm, then after work. They come for money transfers, deposits and withdrawals. They appreciate being able to get a receipt. Students come to make their payments for the baccalaureate, because payment is now online (...) I'm very pleased with iPayMoney, I can make up to 80,000 FCFA more every month (about 122 euros)", says Mariama.

In the case of retail outlets, such as supermarkets, pharmacies and restaurants, transaction fees of between 2 and 3% are charged for electronic payments, and may be passed on to customers. Electronic payment is a tool offered to customers, but it does not allow them to make a profit. Electronic money distribution, on the other hand, is profitable.



Transaction with an electronic payment terminal iPayMoney  
© i-Futur

“ I-Futur: the only Nigerien fintech that is certified PCI DSS.”



A fee of approximately 1.5 percent is applied when loading a customer's account. Distributors can earn between 5 and 7 percent on mobile airtime top-ups. They also receive commissions on customers' payments for utility bills such as water, electricity, and TV subscriptions

Another major advantage is unified accounting, which solves the problem of many vendors not always having the financial capacity to inject e-money or phone credit to top up the accounts of customers of different telecoms operators. "Vendors no longer have to wonder where to invest their 1,000 euros of electronic money top-up in order to sell services and earn income. Previously, they had to anticipate and take a chance on the cash flows generated during the day with Zamani rather than Moov Money, for example. They also had to manage multiple account lines—dedicated to Mobile Money, mobile credit, bundle purchases, utility bill payments, or exam fees—which had to be funded each morning. This was a barrier to business growth. Now, with iPayMoney's unified account, the vendor can use their 1,000 euros however they choose—regardless of the operator or the service being sold," explains Sidikou Boubacar. For its part, the Nigerien fintech earns revenue through commissions on transactions carried out by the agents.



*The large market of Niamey*  
© Danita Delimont / Alamy



*At chocolate seller Mariana Nouhou's, customers can now make money transfers, deposits and withdrawals.*

*Students pay their baccalaureate registration fees.*

© UNCDF, i-Futur

Since he started working with iPayMoney, Gado Adamou Inoussa has seen his sales soar. "I rent chairs and tarpaulins and at the same time, I'm a distributor of electronic money services. Before, I was affiliated to Airtel through its Shop & Cash Point network. I had to have three or four phones, one for each mobile operator. I've put all that away and now use just one device, the iPayMoney POS terminal," confirms this 33-year-old businessman with a degree in sales and marketing management. "I used to have trouble doing cash-outs. I didn't have enough funds and had to run around trying to collect money. But since I switched to iPayMoney, I've been able to manage my accounting. All the products I sell are now consolidated in one place," he explains. In just four months of using iPayMoney, the vendor has gained around ten new customers per week. Most of the activity takes place between 5:30 p.m. and 11 p.m. "And it's going very well. I can earn up to 500,000 FCFA per month," estimates Gado Adamou Inoussa, thanks to his network of small resellers.

In Niamey's Goudel district, home to many embassies, business is also booming for 25-year-old Yacouba Dan Baki Ayouba. "A few months ago, I was unemployed. I am now the manager of this kiosk. I-Futur contacted me. I met their criteria. They found me a location, provided me with a table, an umbrella, a sign to make the point of sale visible, a POS terminal to do all the transactions and they pre-financed me so that I could get started. Thanks to the commissions, I was able to repay the pre-financing in three months," explains Yacouba.

At 6 per cent commission on each transfer of 10,000 FCFA, this young single man with no family responsibilities now estimates his income at nearly 42,000 FCFA per week. "Here in the embassy district, clients may want to make large transfers (...) I'm in the process of fulfilling a dream. I wanted to work in the digital sector—and now I do. Thanks to this activity with iPayMoney, I'm able to fully support myself and even have future plans. One day, I hope to launch my own business with POS terminals," says the young man.

Like Yacouba, many young unemployed people find electronic money distribution through Biyan Zamani and its iPayMoney solution to be a true opportunity and a stepping stone, supported by i-Futur. These highly-motivated young people take up positions in transit areas such as bus stations and marketplaces, and quickly manage to earn an income in excess of Niger's guaranteed minimum wage (42,000 FCFA as of January 1, 2024).



*This retailer has boosted his business thanks to electronic money © i-Futur*

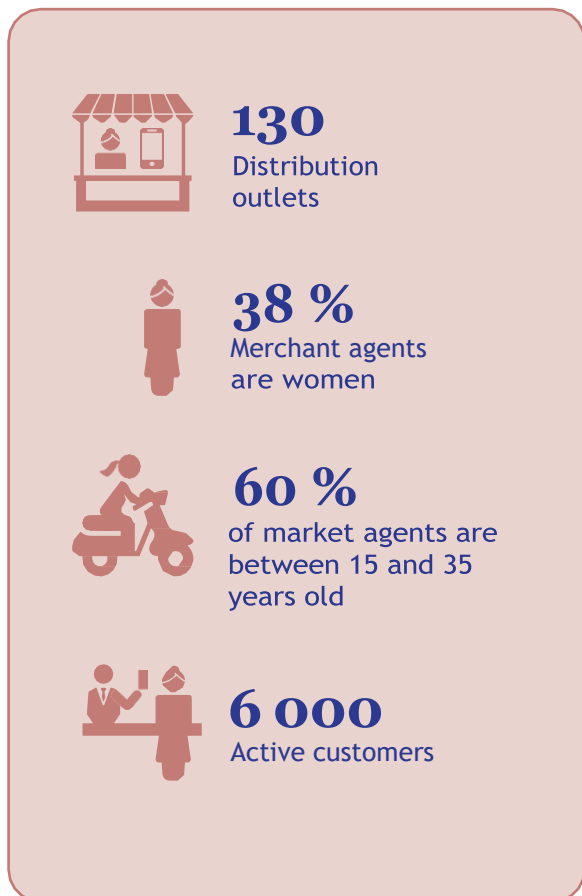
“ The distribution of electronic money is a real boon for unemployed young people. ”

Begun in July 2022, the distribution network extension project was scheduled for completion at the end of November 2023. It has been extended.

Over the period, i-Futur has acquired around 100 POS terminals, set up 130 sales and distribution outlets, and trained as many sales agents. Nearly 38% of merchant agents were recruited among women, and more than half among young professionals aged between 15 and 35, with the aim of boosting confidence in the use of electronic money and facilitating its adoption. Nearly 10,414 customers have signed up for the new digital services. More than 6,000 active customers now make their payments via POS terminals and online, thanks to the i-Futur platform.

“Today, i-Futur is a source of pride. They have become a benchmark in Niger, and the results speak for themselves. The company has exceeded all its objectives and gained credibility and visibility, to the point where it is now being approached by other donors”, stresses Olivier Yara. The World Bank has selected i-Futur as part of its Intelligent Villages project to deploy 2,000 POS terminals throughout Niger, with a view to reducing the digital divide.

This large-scale project was almost complete at the time of the coup. It is now at a standstill, pending normalization of relations. Other UN agencies have also turned to i-Futur to encourage, for example, the digital payment of humanitarian assistance. At the same time, the fintech is digitalizing the registration process and tuition payments at three of the country's universities.



## Meeting demand

After Niamey, i-Futur is now looking to expand into the interior of the country, with the aim of reaching a further 1,000 points of sale. To achieve this, the fintech is aiming to raise around one million dollars. "We're overwhelmed by demand! But despite our ambitions, we need to slow down the pace of terminal deployment. Today, we're facing a liquidity crisis", says i-Futur's CEO.

"If we have to manage two hundred, five hundred or more cash dispensers, we'll need more financial capacity so that the central bank account can replenish the accounts of each dispenser, without there being a break in the system. There's a time lag between collecting cash from the field and taking it to the bank. If we manage a distribution network with a capacity of 10,000 euros in circulation per day, for example, we need to have double or even triple that amount available. In other words, we need to be ahead of the network's needs and have a good predictive margin in case one of our customers requires a large amount. To grow, we'll either have to raise funds, or be patient and take small steps forward," explains Sidikou Boubacar.

Approached by Airtel to take over the management of its Mobile Money kiosks in Niamey, i-Futur was forced to refuse. Its teams are overwhelmed. The fund-raising would enable the company to resolve the cash flow issues and extend its distribution network, as well as to recruit around ten people, including financial profiles, IT developers and sales staff. The fintech could also apply for a subsidized loan from donors, and in particular wish to use UNCDF's Investment Platform for Least Developed Countries, once the political situation in Niger has stabilized.

“The Fintech aims to raise around US\$1 million.”



Following the overthrow of President Mohamed Bazoum in July 2023, most international donors suspended funding and the disbursement of funds for ongoing programmes. This situation has weakened a number of small businesses in Niger, which had committed to carrying out projects such as i-Futur's Intelligent Villages programme with the World Bank. "We're living in a difficult situation, which is putting us to the test," agrees Sidikou Boubacar. "But we're trying to find solutions and focus on the quality of our services until everything turns around again," says the i-Futur manager.

Making e-money more popular and expanding how it is distributed are key to making Niger more resilient, since it's a country that's vulnerable to all sorts of issues. Boosting the SFN ecosystem will mean people can keep working and sending money even when there's a crisis.

*Thanks to iPayMoney, Yacouba Ayouba, 25-year-old, has now a stable job © UNCDF*



## Acknowledgements

"Digital Finance for Resilience" (DFS4Res) is a four-year programme, supported by the European Union and the Organisation of African, Caribbean and Pacific States (ACP Group), and implemented by the United Nations Capital Development Fund (UNCDF). The programme aims to deploy large-scale digital finance solutions to increase financial inclusion and accelerate economic recovery from COVID-19, to make economies and societies more resilient to external shocks.

This document was prepared by the UNCDF Inclusive Digital Economies team that implements the DFS4Res programme in Niger, as well as in ten other countries.

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## About UNCDF

UN Capital Development Fund (UNCDF) mobilizes and catalyses an increase in capital flows for impactful investments in high-risk markets, especially in Least Developed Countries, Small Island Developing States and fragile settings. By crowding in capital through the deployment of risk-absorbing financial instruments, mechanisms and structuring advisory, UNCDF contributes to job creation, sustained economic growth and equitable prosperity.

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## Disclaimer

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*Cover photo: Kennedy Bridge, Niamey, Niger © Joerg Boethling / Alamy  
Cover photo: An agent completes a transaction with iPayMoney © i-Futur*

