

# Funding poured in for African payment startups in 2021—signaling momentum in the region

Article

**The news:** The funding spotlight turned toward Africa in 2021 as tech startups broke funding records, raising \$5 billion across the continent, per TechCrunch.

- Fintechs dominated this funding, accounting for nearly **\$3 billion of the continent's investments**, per Briter Bridges—double the amount raised by fintechs in 2020 and triple the total in 2019.
- Payment startups globally also raised record funding in 2021, totaling **\$31.9 billion** as of December 14, according to CB Insights.

**The beneficiaries:** Here are some of the companies that benefited from the increased attention paid to Africa.

- Mobile payments platform **Opay** raised one of the biggest sums, **closing** a **\$400 million Series C round** in August that valued the company at \$2 billion. SoftBank Vision Fund—the world's largest technology-focused investment fund—made its first African investment with this funding round. Opay has seen huge growth: **Monthly transactions exceeded \$3 billion** as of August, up from \$2 billion in December 2020, per Bloomberg.
- Digital payment provider **Flutterwave** raised **\$170 million in a March Series C round**. The company expanded globally in 2021, making partnerships beyond local tie-ups with payment giants like **Discover** and **PayPal**.
- Digital payments network **MFS Africa** **raised \$100 million**. The company powers **more than 320 million mobile money wallets** through a network of roughly 180 banks and mobile money schemes and 250 global institutions.
- Cross-border payments company **Chipper Cash** **raised \$250 million** between May and November 2021, bringing its valuation to \$2 billion. Chipper Cash offers a peer-to-peer cross-border payment service via its app, which is used across seven African countries.

**The bigger picture:** The recent cash influx reflects growing deal volume in Africa as more firms acknowledge its growth potential.

We believe Africa is poised to experience the next great wave of innovation, with a “who’s who” of multinational payments giants piling in to make it happen. We’ve already seen powerhouses like **Stripe**, **Zip**, and **Mastercard** get involved in the region, and we **predict** that in 2022, multinational financial services companies will shift their focus from partnerships to acquisitions across the continent.

With **1.4 billion inhabitants** and a **collective GDP of \$2.7 trillion**, Africa is a vast market ripe for payments digitization. Regional giants **M-Pesa** and **MTN MoMo** have already built a nearly

**\$500 billion market for mobile money**, showing that breakthroughs in the region are possible and giving payment providers an opening to digitize.

## Mobile Money Accounts and Transactions in Africa, by Region, 2020

	Registered accounts (millions)	Active accounts (millions)	Transaction volume (billions)	Transaction value (billions)
<b>West Africa</b>	<b>198</b>	<b>47</b>	<b>6.40</b>	<b>\$178.0</b>
—% change	19%	23%	29%	46%
<b>Southern Africa</b>	<b>11</b>	<b>3</b>	<b>0.28</b>	<b>\$3.0</b>
—% change	24%	28%	43%	24%
<b>North Africa</b>	<b>14</b>	<b>1</b>	<b>0.08</b>	<b>\$5.4</b>
—% change	16%	22%	29%	37%
<b>Central Africa</b>	<b>46</b>	<b>16</b>	<b>2.20</b>	<b>\$35.7</b>
—% change	2%	10%	30%	23%
<b>East Africa</b>	<b>293</b>	<b>94</b>	<b>18.60</b>	<b>\$273.0</b>
—% change	9%	16%	10%	11%
<b>Total</b>	<b>562</b>	<b>161</b>	<b>27.50</b>	<b>\$495.0</b>
—% change	12%	18%	15%	23%

Note: \*active within the past 30 days

Source: GSMA, "State of the Industry Report on Mobile Money," March 24, 2021

264742

[InsiderIntelligence.com](https://www.insiderintelligence.com)