# Angel Network Capacity Building: Executive Guide

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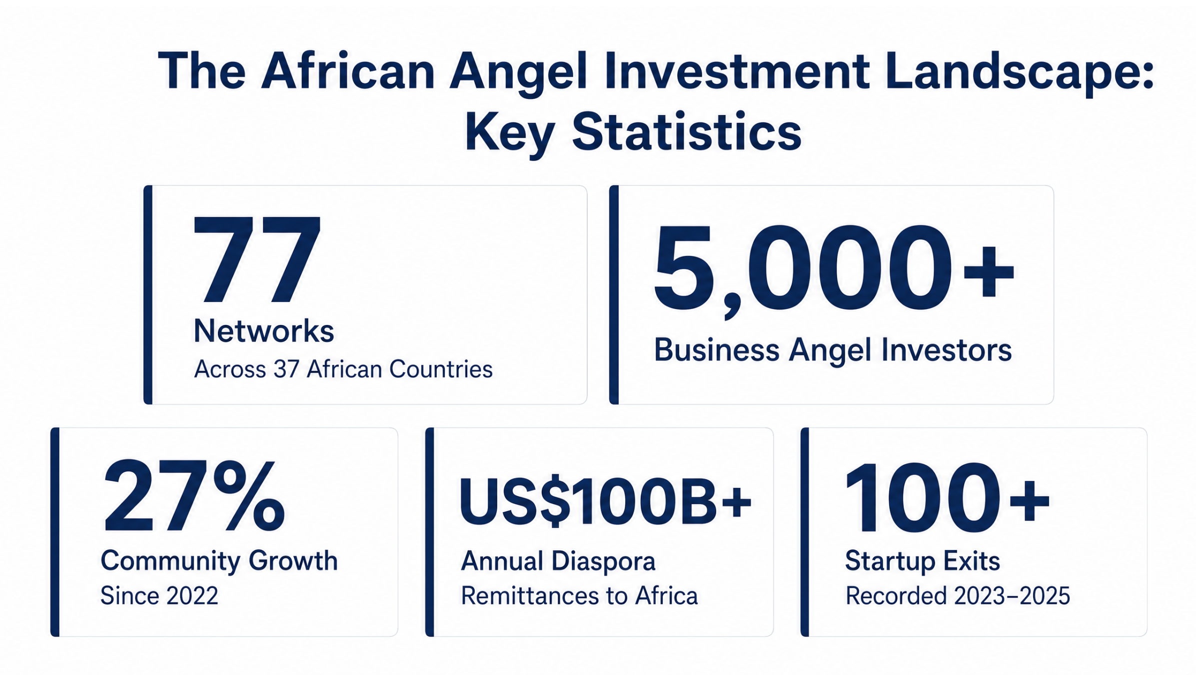
# 1. Introduction

Africa possesses a greater number of founders than it has early-stage capital available to support them. Furthermore, the capital that does exist is heavily concentrated within a select few cities, sectors, and funders.

A well-operated angel network serves to close the gap between available capital and founders in need. It achieves this in a manner that larger institutional vehicles structurally cannot, primarily because an angel network mobilizes individuals who are already embedded within the local economy. These networks operate with cheque sizes that appropriately match early-stage capital requirements and combine financial investment with mentorship in a way that significantly alters outcomes.

This framework serves as the operational toolkit for building such a network in any African country. It is firmly grounded in the proven practices of the 77 ABAN member networks currently operating across 37 countries.

## The Strategic Context, In Numbers




Five critical data points anchor the business case for utilizing this framework:

- **Scale of the Angel Community:** ABAN represents 77 member networks across 37 African countries and the diaspora, connecting over 5,000 business angel investors (ABAN, 2025). The community has experienced a 27 percent growth rate since 2022, structurally outpacing the continent's institutional venture capital growth.
- **Cheque Size Discipline:** The ABAN 2024 Angel Investment Survey revealed that 77 percent of angel cheques from 2022-2024 were below US$25,000. The average individual cheque was US$30,000, and the average syndicate cheque was US$200,000.

While angel capital is small compared to institutional VC, it successfully reaches stages and companies that institutional VC structurally cannot.

- **Returns Are Real:** Early angels in Paystack wrote cheques ranging from US$10,000 to US$50,000 and realized returns exceeding 1,400 percent when Stripe acquired the company for over US$200 million in 2020. Other notable exits include Sendwave to WorldRemit (US$500 million) and InstaDeep to BioNTech (US$680 million). Between 2023 and 2025, Africa recorded over 100 startup exits, with more than 50 M&A transactions in 2025 alone. The potential for profitable exits is demonstrably real.
- **The Funding Gap Is Structural:** Partech's 2025 Africa Tech VC Report indicates that while total African tech funding reached US$4.1 billion (a 25 percent year-on-year increase), the number of sub-US$250,000 deals declined from 90 in 2022 to just 21 in 2025. As institutional capital concentrates in later stages, the gap at the pre-seed and seed stages is widening. Angel networks are perfectly positioned to fill this exact gap.
- **The Diaspora Is Already Invested:** 48 percent of angels surveyed by ABAN reported making cross-border investments. With diaspora remittance flows to Africa exceeding US$100 billion annually, a modest redirection of this capital from consumption transfers toward investments in home-country startups could increase African early-stage capital exponentially.

## 2. What the Framework Is

This framework consists of ten comprehensive documents covering every operational question a new or maturing angel network is likely to encounter.

**Crucially, these documents are designed to be used as tools, not simply read cover-to-cover.** Whether you are a champion launching a network in Abidjan, a Steering Committee onboarding new members in Nairobi, or a board reviewing Year 1 performance in Kigali, you should easily find the relevant material within one or two of the ten parts without needing to review the entire set.

The ten parts share a common voice and a consistent set of frameworks. They can be read linearly if desired but are optimized for use as reference material.

### The Framework Parts at a Glance

| # | Document | Primary Audience | What It Answers |
|---|---|---|---|
| **00** | **Introduction to Angel Investing** | Prospective members | Why join an angel network; what it is and is not. |
| **01** | **Angel Network Formation Handbook** | Champions (network Chair and founders) | How to build the network: strategy, operations, dealflow. |
| **02** | **Governance and Legal Pack** | Champions & Steering Committee | Charter, structures, legal forms, tax treatment, templates. |

| # | Document | Primary Audience | What It Answers |
|---|---|---|---|
| **03** | **Membership and Outreach Pack** | Membership Committee & Chair | Member tiers, recruitment, budget, diaspora outreach. |
| **04** | **Dealflow and Investment Pack** | Screening Committee & full members | POEM intake, scorecard, worked cases, term sheets, instruments. |
| **05** | **Founder Readiness Guide** | Founders considering angel capital | How to raise; what angels want; common mistakes. |
| **06** | **Training and Education Pack** | Member development lead | 8 modules, quarterly peer forums, curriculum arc. |
| **07** | **Events and Activities Pack** | Operations lead & Secretariat | Pitch nights, AGM, 90-day quick-start, event logistics. |
| **08** | **MEL Framework and Reporting** | Chair & Secretariat | 12-indicator dashboard, quarterly and annual reports. |
| **09** | **Country Assessment Template** | Prospective champions | Is my country ready; worked examples for four markets. |

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# 3. What This Framework Is Not

There are three critical points that must be stated plainly to manage expectations and ensure proper use of these materials:

6. **It is not a fund.** The framework is specifically designed for angel networks, which mobilize individual capital without becoming a pooled investment vehicle. If a champion intends to run a fund, the legal, regulatory, and operational requirements are entirely different and substantially more complex.
7. **It is not a substitute for local counsel.** Every section that touches upon legal, tax, or regulatory matters explicitly notes where local advice is required. The provided templates are starting points only. The final 20 percent of customization—the country-specific adaptation—must be completed in consultation with qualified local counsel.
8. **It is not a recipe for guaranteed returns.** Angel investing at any stage, in any market, produces distributions of outcomes that follow power laws. Most individual investments return nothing, while a minority return multiples of the initial investment. Networks succeed when their members fully understand this reality at the time of investment, rather than learning it retrospectively.

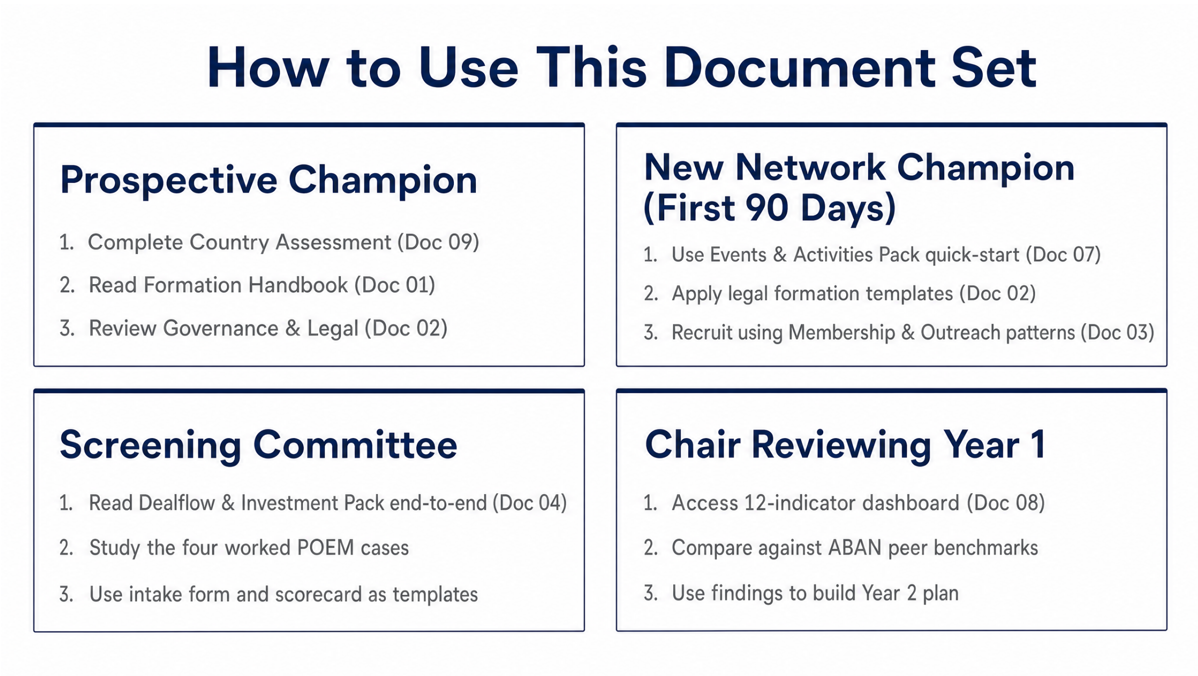
## 4. What Makes a Network Succeed


Five distinct patterns distinguish the networks that sustain activity and produce returns from those that stall and fail within their first two years.

- **A Committed Champion:** Every successful network relies on one dedicated individual who carries it through Year 1. This is usually the Chair—someone with standing in the country’s business community, the availability to commit 20 to 30 hours per month, and the social credibility required to recruit a founding cohort. Networks lacking this central figure generally fail, regardless of how favorable other factors might be.
- **Disciplined Screening:** Networks that funnel every deal into a pitch session simply because members enjoy watching pitches inevitably produce poor investments and exhausted members. Conversely, networks that rigorously apply pre-screening criteria successfully maintain both member engagement and long-term returns.
- **Dual Structure:** Successful networks (such as the Lagos Angel Network, Cairo Angels, Rising Tide Africa, and Ivoire Angels) have converged on a specific structural pattern: a non-profit body for the network itself, paired with separate vehicles for actual investment activity. This separation prevents the network from being classified as a regulated collective investment scheme and preserves tax clarity.
- **Post-Investment Engagement:** The average African early-stage company raises an angel round and then struggles with operational execution for 18 to 24 months before a Series A round becomes possible. Networks whose members actively engage post-investment (serving as board observers, advisors, facilitating introductions, or assisting with hiring) produce materially higher portfolio survival rates than networks that treat angel activity as merely a series of one-time financial transactions.
- **A Plan for the Second Year:** Year 1 is inherently exciting; Year 2 is when networks typically begin to drift. Networks that possess an explicit Year 2 plan (usually articulated clearly at the inaugural AGM) are significantly more likely to hit their deal

and member targets in their second year than networks that mistakenly treat Year 1 success as self-sustaining momentum.

## 5. How to Use This Document Set




The documents should be utilized based on your specific role and the current stage of your network:

- **For a prospective champion evaluating whether to launch a network in their country:**
  - 8.1 Start with a Country Assessment (See *Doc 09 - Country Assessment Template*).
  - 8.2 Complete the worked version for your specific market.
  - 8.3 Read the *Formation Handbook* (Doc 01) and *Governance and Legal* (Doc 02).
- **For a champion in the first 90 days of a new network:**
  - 8.4 Use the *Events and Activities Pack* (Doc 07) quick-start plan.
  - 8.5 Apply the templates in *Governance and Legal* (Doc 02) for legal formation.
  - 8.6 Recruit members against the patterns outlined in the *Membership and Outreach Pack* (Doc 03).
- **For a Screening Committee preparing to evaluate the first dealflow:**
  - 8.7 Read the *Dealflow and Investment Pack* (Doc 04) end-to-end.
  - 8.8 Pay particular attention to the four worked POEM cases.
  - 8.9 Use the intake form and scorecard as literal templates for your process.
- **For a Chair reviewing Year 1 performance:**
  - 8.10 Utilize the 12-indicator dashboard found in the *MEL Framework and Reporting* (Doc 08).

8.11 Compare your results against the ABAN peer benchmarks to understand the majority of what you need to know regarding your network's health.

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