

Investment Readiness Memo - Sample (Redacted)

Illustrative assessment of a Francophone West Africa renewable / infrastructure opportunity before commercial commitment.

Section 1 - Opportunity snapshot

Country: [Senegal / Francophone West Africa - sample]

Use case: [C&I autoproduction / productive-use solar / infrastructure-linked energy use case]

Commercial stage: Early screening / pre-engagement

Client role assumed: Supplier / EPC / strategic investor / market entrant

Decision horizon: 30-90 days

Section 2 - Why this memo exists

This memo is designed to answer one question:

Should a firm commit meaningful commercial resources to this opportunity now, later, or not at all?

The purpose is not to present a fully diligenced transaction.

The purpose is to convert an initial opportunity into a structured decision path by clarifying:

- market-entry logic
- counterparties and their likely roles
- payment-security considerations
- execution boundaries
- top risks and stop conditions

Section 3 - Preliminary readiness view

Current readiness status: AMBER

The opportunity may justify further engagement, but only if a limited set of commercial, contractual, and counterparty questions are clarified first.

Section 4 - Top 5 decision questions

- Is there a credible buyer / off-taker / paying counterparty path?
- Can payment security be structured before meaningful delivery risk is taken?
- Are execution boundaries clear enough to avoid scope drift and acceptance disputes?
- Are local counterparties and operating partners sufficiently credible for early engagement?
- Is the transaction path compatible with the client's timeline, risk appetite, and internal approvals?

Section 5 - Recommendation

Recommendation: Proceed on a controlled basis only.

Do not commit significant engineering, equipment, or pricing resources before:

- the buyer route is clarified
- a payment path is outlined
- the counterparty stack is narrowed
- a first-layer risk allocation view is agreed

1. Opportunity logic and transaction frame

Section 1 - Entry logic

This opportunity is relevant only if the client is seeking one of the following:

- entry into a Francophone West Africa market with repeatable demand potential
- a first controlled commercial foothold rather than a one-off speculative project
- counterparties where payment logic can be structured before full exposure is taken
- asset or delivery models with manageable regulatory and execution complexity

Section 2 - Indicative transaction roles

The opportunity can be understood through a simple role map:

- Client - equipment supplier / EPC / strategic investor / co-developer
- Buyer / off-taker - enterprise / operator / public or quasi-public entity
- Local execution partner - developer / permitting lead / EPC support / O&M
- Legal / technical support - local counsel / owner's engineer / specialist advisor
- Risk mitigants - insurer / guarantor / escrow bank / payment-security mechanism

Section 3 - Why opportunities fail at this stage

At this pre-engagement stage, transactions often fail not because demand is absent, but because one or more of the following remain undefined:

- who actually pays
- who signs
- who carries interface risk
- what triggers payment
- what happens in delay, underperformance, or dispute
- whether local execution capability is sufficient

Section 4 - What "go" should mean

A commercial "go" should not mean "we like the story."

It should mean:

- we understand the buyer path
- we understand the contract path
- we understand the payment path
- we understand the first-layer execution path

2. Counterparty map and partner logic

Section 1 - Counterparty types to assess

Before deeper commitment, the transaction should be narrowed to a short list of counterparties across four categories:

- Commercial buyer / paying entity
- Local execution partner
- Regulatory / permitting interface
- Risk support providers (insurance / guarantees / escrow / legal)

Section 2 - Sample shortlisting logic

A counterparty or partner should only move forward if it can be assessed across the following dimensions:

- role clarity
- payment relevance
- execution credibility
- local access / interface value
- contractual reliability
- reputational / compliance risk

Section 3 - Red flags

The following should trigger caution or stop conditions:

- unclear paying entity
- dependence on vague "relationships" without documentary path
- counterparties unable to describe approval or payment process
- local partners whose role is promotional rather than operational
- transaction structures that assume delivery before payment security is addressed
- counterparties resistant to standard diligence questions

Section 4 - Recommended early-partner posture

At this stage, partner engagement should remain:

- selective
- document-based
- milestone-oriented
- non-exclusive unless clearly justified

The objective is not to "build a big network."

The objective is to identify 2-3 credible paths, then eliminate the rest quickly.

3. Payment security and contract boundary note

Section 1 - Core commercial principle

The client should avoid taking open-ended delivery or pricing exposure before there is at least a first workable view on:

- payment trigger
- payment timing
- acceptance definition
- dispute path
- consequence of delay or partial performance

Section 2 - Payment questions that must be clarified early

- What event triggers the first payment?
- What evidence is required for acceptance?
- Is there a deposit / advance / milestone logic?
- Is there an escrow, guarantee, letter of credit, insurance, or equivalent comfort?
- What remedies exist if the buyer delays, disputes, or partially defaults?
- What is the currency of payment, and what is the exposure if exchange conditions change?

Section 3 - Contract-boundary principles

The following boundaries should be made explicit before further commitment:

- what is included / excluded from supply or EPC scope
- what local partner responsibilities are assumed
- who is responsible for permits / grid interface / civil works / logistics / commissioning
- where performance responsibility starts and stops
- what events qualify for extension, relief, or change orders

Section 4 - Recommended structure posture

- narrow scope first
- clear milestones
- evidence-based acceptance
- layered payment protection where possible
- documented dispute route

Section 5 - Immediate implication

If payment security cannot be structured in principle, the opportunity may still be strategically interesting - but it should not yet be treated as commercially ready.

4. Risk register - top 10 issues at pre-engagement stage

The following risks should be viewed as a working pre-engagement register rather than final diligence output.

1. Buyer / off-taker uncertainty

Risk: unclear commercial buyer or weak payment logic
Impact: high
Mitigation: identify actual paying entity, payment trigger, approval flow

2. Contract boundary ambiguity

Risk: scope drift and disputes over what was included
Impact: high
Mitigation: early scope matrix + exclusions + acceptance logic

3. Counterparty quality mismatch

Risk: local partner has weak execution value but high narrative appeal
Impact: medium-high
Mitigation: shortlist only role-critical partners; require evidence of function

4. FX / transferability exposure

Risk: payment currency and cost currency do not align
Impact: high
Mitigation: map currency path early; identify whether protections are possible

5. Permitting / regulatory timing

Risk: assumptions rely on permits or authorizations without path clarity
Impact: medium-high
Mitigation: define which approvals matter before commitment

6. Acceptance dispute risk

Risk: delivery done, but payment blocked by unclear acceptance terms
Impact: high
Mitigation: define milestone evidence and acceptance thresholds up front

7. Interface risk among parties

Risk: client, local partner, and buyer assume different responsibilities
Impact: medium-high
Mitigation: create role matrix before resource commitment

8. Compliance / reputational exposure

Risk: partner or route creates sanctions, integrity, or corruption concerns
Impact: high
Mitigation: basic screening and clear "do not proceed" triggers

9. Schedule optimism

Risk: internal teams assume timeline faster than approvals and negotiations allow
Impact: medium
Mitigation: conservative 30/60/90 planning with decision gates

10. Internal client misalignment

Risk: overseas team is interested, but legal / finance / leadership are not aligned
Impact: medium-high
Mitigation: package findings in a short decision-ready format early

A workable transaction path exists only if the top 3-4 risks can be narrowed from "open uncertainty" to "managed conditions."

5. 30 / 60 / 90 day action plan

Day 0-30: Clarify whether the route is real

Objectives:

- confirm buyer / off-taker path
- identify 2-3 credible counterparties
- map first commercial structure
- define stop conditions

Deliverables:

- initial partner / counterparty shortlist
- payment-security note
- scope boundary note
- no-go criteria list

Day 30-60: Convert into a commercial path

Objectives:

- narrow to one preferred route
- align internal stakeholders
- decide whether to invest further time or field effort

Deliverables:

- draft milestone logic
- term sheet skeleton
- structured risk register
- early diligence request list

Day 60-90: Decide whether to escalate

Objectives:

determine whether this becomes a) a controlled commercial pursuit b) a monitored future opportunity c) a stop / archive case

Escalation conditions:

- payment path is credible
- counterparties remain credible
- contract boundaries are controllable
- internal sponsor and budget exist

Final recommendation: This opportunity should only move into active pursuit if the commercial route can be made sufficiently payable, controllable, and documentable within the next 30-60 days.