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EXECUTIVE INSIGHT
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Bankability Is a Management Capability

Why strategic relevance, information integrity and execution readiness still do not make a project investable.

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EXECUTIVE PREMISE

Bankability is formed before financing begins. This Executive Insight examines the management disciplines that convert strategic intent into an investment proposition that external capital providers can assess, diligence and finance.

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EXECUTIVE LEAD | WHY NOW

A project can be strategically important, approved and still not be financeable.

Vietnam now offers a visible example of a problem that extends far beyond energy. On 29 September 2026, Vietnam Investment Review reported remarks from UNDP advisers that 48 projects had been identified as aligned with Just Energy Transition Partnership principles, representing more than USD 11 billion in financing needs. Only three projects had announced JETP-related financing, totalling about USD 722 million.

The gap does not imply that the other projects are weak or unworthy. It shows something more useful for managers: strategic relevance, policy alignment and capital demand are not the same as investment readiness.

The same distinction appears inside companies. A board can approve a factory, acquisition, digital platform, international expansion or transformation programme because the strategic logic is compelling. That approval answers whether management wants the investment. It does not yet answer whether an external capital provider can understand the economics, price the risks, rely on the evidence and believe the organisation can execute.

Bankability is therefore not a financing event. It is a management capability built before financing begins.

MANAGEMENT IMPLICATION
Create a separate Investment Readiness Gate between strategic approval and the start of a live financing process. Do not let external capital providers become the first people to discover unresolved economics, risks or dependencies.

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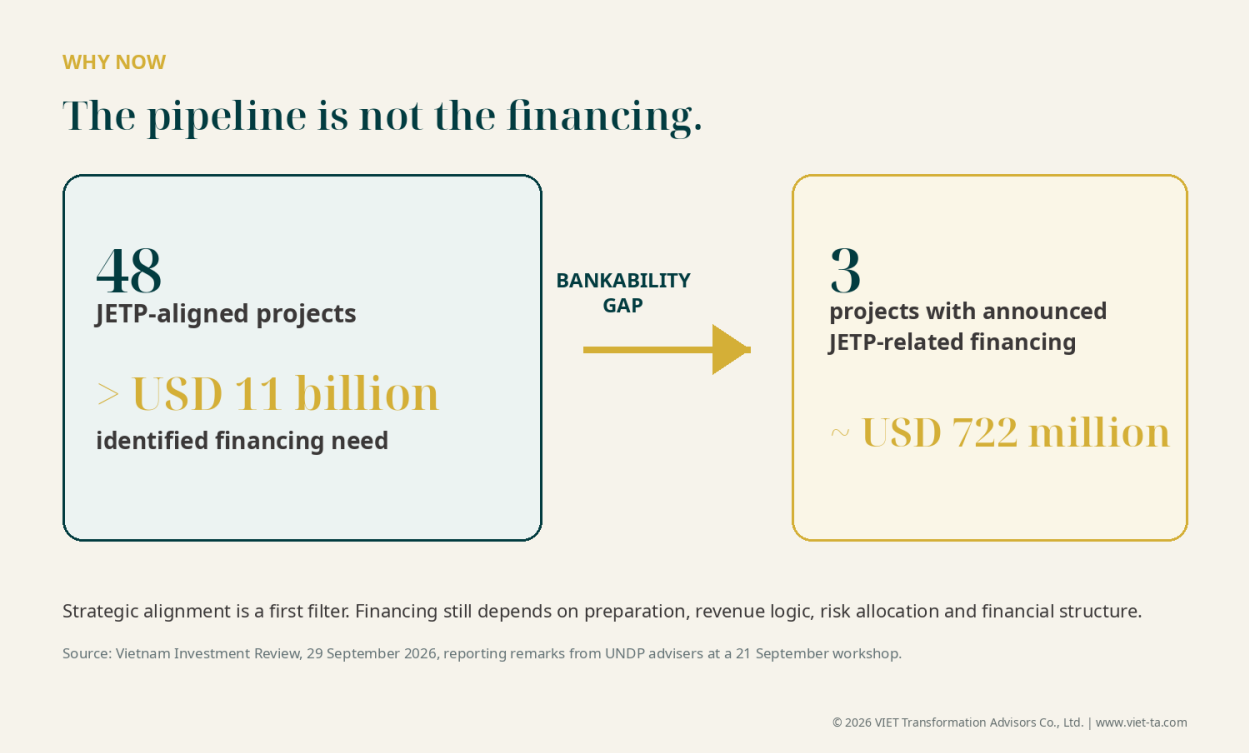

The figures describe the identified JETP-aligned pipeline and announced JETP-related financing at the reported date. They illustrate a readiness gap, not a judgment on the quality of individual projects.

CAUSAL MECHANISM

Capital does not close the gaps that management leaves open.

Strategic approval and financing approval answer different questions. Management asks whether an investment fits the company or policy agenda. A lender or investor asks whether the expected cash flows, contractual rights, risk allocation, sponsor capability and downside protections justify committing capital.

When a project enters financing too early, the unresolved questions do not disappear. They simply migrate into due diligence. A weak revenue model becomes a request for additional assumptions. An unresolved permit becomes a condition precedent. Unclear risk allocation becomes a demand for guarantees or more equity. Missing technical, environmental or social work becomes delay. Fragmented evidence becomes repeated diligence. An unclear owner becomes a governance concern.

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WHAT FINANCING EXPOSES

The financing process then becomes slower and more defensive. Management answers questions it should already have resolved, advisers reconstruct the investment logic under deadline pressure, and capital providers protect themselves through conditions, security, pricing, covenants or additional control rights.

Bankability is therefore formed earlier in the project life cycle. World Bank and IFC guidance points to the same disciplines: preparation, feasibility, risk allocation and investment structure determine whether a proposition can reach an investment-ready state. Financiers assess bankability; they do not manufacture it for the sponsor.

KEY INSIGHT
The financing process does not create bankability. It reveals whether management built it.

STRATEGIC DECISION

Treat project preparation as risk capital, not administrative overhead.

Preparation requires expenditure before certainty. Feasibility work, legal structuring, technical reviews, environmental and social studies and financial modelling consume money before final approval or financing is assured. Some of that spend may never be recovered.

That is not wasted expenditure. It is risk capital used to improve decision quality.

The alternative is often more expensive. Projects that advance on optimistic assumptions accumulate sunk cost and organisational commitment before fatal weaknesses become visible. The later the weakness appears, the harder it becomes to stop or redesign the investment.

A disciplined company separates stages: concept approval authorises learning; feasibility authorises deeper analysis; investment readiness authorises external market engagement; final investment decision authorises commitment. Each gate has evidence requirements and an explicit right to stop.

Discovering early that an investment should not proceed can therefore be a successful capital-allocation outcome. Preparation bought an option and prevented a larger loss.

DECISION PRINCIPLE
Spend enough, early enough, to discover whether the investment should stop before the organisation becomes committed to making it continue.

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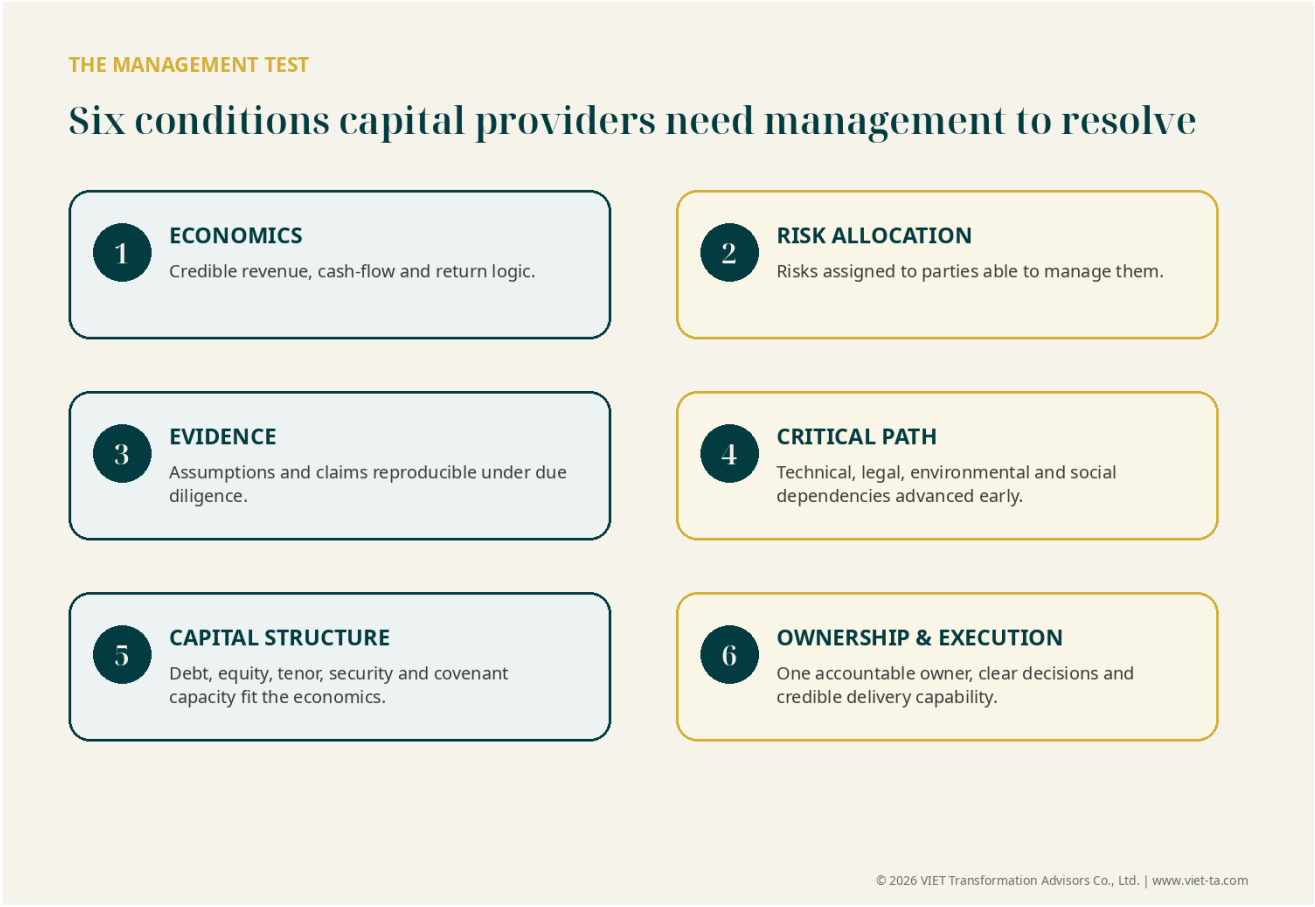
BANKABILITY TEST

Six conditions determine whether strategic intent can become a capital decision.

Information integrity is one of those conditions, but it is not the whole answer. A bankable proposition requires management to resolve six connected questions before asking capital providers to carry the uncertainty.



VIET TA synthesis. The six tests combine project-finance disciplines with corporate investment-readiness logic.

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BANKABILITY TEST | SIX CONDITIONS IN DETAIL

1 Economic logic

The revenue model, operating assumptions, cash conversion and downside case must be credible enough to support repayment or investor return. Strategic importance cannot substitute for economics.

2 Risk allocation

Construction, demand, regulatory, technology, foreign-exchange, counterparty and operating risks must be visible and assigned to parties that can actually manage or absorb them. A risk matrix is useful only when it changes contracts, pricing, contingencies or decision rights.

3 Evidence and diligence readiness

Assumptions, permits, contracts, technical claims and financial models must be supported by a controlled evidence base. This is where the logic of One Business. One Economic Truth. connects directly: outsiders cannot evaluate a proposition efficiently if the underlying facts keep changing with the audience.

4 Critical-path readiness

Technical design, land, permitting, legal structure, environmental and social requirements, grid or infrastructure connections and other dependencies must be advanced early enough to protect the financing timetable. Work that sits on the critical path cannot be treated as late-stage compliance.

5 Capital structure fit

The proposed mix of debt, equity, tenor, security, repayment profile and covenant capacity must fit the cash-flow profile and risk allocation. A good project can become unfinanceable when the funding structure demands cash or security the project cannot provide.

6 Ownership and execution capability

Capital providers also finance a sponsor and management system. They need to know who owns the investment case, who can make trade-off decisions, whether the organisation has delivered comparable complexity before and how execution will be governed after financial close.

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FROM EVIDENCE TO FINANCING

A common diligence package reduces friction, but only if management owns the underlying decisions.

The Bac Ai pumped-storage project illustrates the practical value of preparation. European and Japanese development-finance institutions have worked around a common project, while EU-supported technical assistance has covered elements including additional environmental and social work, technical review and project-preparation support. The purpose is not merely to produce more documents. It is to create a body of work that different financiers can evaluate against international standards.

The corporate translation is straightforward. A company approaching banks, private-equity investors, strategic partners or buyers should not build a new version of the investment story for each counterparty. It should maintain one controlled diligence base: the same commercial assumptions, the same risk register, the same legal facts, the same technical evidence and the same financial bridge.

This does not mean every financier asks the same question. It means management starts from one controlled source and can explain differences rather than reconstruct the company or project repeatedly.

Advisers can accelerate this work. Engineers can validate design. Lawyers can structure rights and obligations. Financial advisers can test models. ESG specialists can close environmental and social gaps. Auditors can test evidence. But none of them can replace sponsor ownership of the investment logic.

If the project becomes understandable only after advisers reconstruct it, management has not yet built investment readiness.

OPERATING PRINCIPLE
Advisers can provide expertise. They cannot outsource accountability.

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INTEGRATED ACTION AGENDA

Build bankability before the capital process begins.

1

Separate strategic approval from investment readiness

A board or investment committee should explicitly distinguish approval to develop an opportunity from approval to enter a financing process. The second gate requires a higher evidence standard.

2

Define the readiness criteria at the beginning

Before preparation starts, specify what must be true across economics, risk, evidence, critical dependencies, capital structure and execution capability. This prevents teams from declaring readiness because the presentation looks complete.

3

Fund preparation and preserve the right to stop

Budget feasibility, legal, technical, environmental, social and financial work as part of capital allocation. Define stop, redesign and escalation triggers before sunk cost and organisational commitment weaken decision discipline.

4

Build one lender- and investor-grade information base

Use one controlled model, risk register, assumption book, legal fact base and document set. Reconciliation and version control should be completed before external diligence, not during it.

5

Pull critical-path work forward

Identify dependencies that can block financing or execution and advance them early. The right question is not whether a workstream is labelled technical, legal or ESG. It is whether delay in that workstream can delay the capital decision.

6

Assign one accountable investment owner

One executive should own the integrated investment case across functions and advisers. Finance may coordinate the capital process, but economics, risks, evidence and execution cannot be fragmented across departments without an accountable integrator.

BOARD TEST
Before authorising a financing process, ask: What could cause a sophisticated lender or investor to stop, delay, reprice or demand additional protection, and has management already resolved it?

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IMPLEMENTATION

Use a readiness sequence, not a financing deadline, to govern the work.

The sequence is stage-based rather than time-based. What matters is that each gate closes a different category of uncertainty before the next commitment is made.

STAGE	MANAGEMENT QUESTION	OUTPUT / GATE
1 | DIAGNOSE	**Is the opportunity economically and strategically coherent?**	Base case, downside case, key assumptions, fatal-flaw list.
2 | BUILD	**What must be resolved before external capital is invited?**	Risk allocation, critical-path plan, diligence evidence, financing architecture.
3 | TEST	**Will sophisticated outsiders accept the proposition?**	Independent challenge, market sounding, lender/investor questions, remediation list.
4 | FINANCE	**Is the investment ready to enter a live capital process?**	Approved readiness gate, accountable owner, controlled information package.

Stage 1 tests whether the opportunity deserves further capital. Stage 2 builds the investment proposition. Stage 3 subjects it to independent challenge while management can still redesign it. Stage 4 begins only after a live financing process is justified.

Where possible, market sounding belongs before the formal process. Early feedback should shape risk allocation and financing architecture while redesign remains possible.

The readiness gate must permit HOLD or redesign. A gate that permits only GO decisions is a ceremony.

READINESS THRESHOLD
Do not enter a live financing process merely because capital is needed. Enter it when management can explain the economics, evidence, risks, dependencies, funding structure and execution model without asking the financier to solve the proposition.

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GOVERNANCE REALITY

The hardest gap is often organisational, not financial.

Bankability problems are frequently described as financing constraints because the failure becomes visible when capital is requested. The root cause may sit elsewhere.

Commercial teams may own revenue assumptions without owning downside risk. Technical teams may optimise design without understanding financing consequences. Legal and ESG work may start after key decisions are already fixed. Finance may be asked to raise capital for an investment whose operating assumptions it did not shape. Senior management may approve the strategic idea without assigning one person responsibility for the integrated investment case.

The result is a project that is strategically endorsed but organisationally fragmented.

Management therefore needs an investment-readiness operating model, not simply a financing workstream. The CEO, CFO, operating sponsor and board need explicit decision rights. Critical assumptions need owners. Unresolved risks need escalation. Preparation spend needs governance. Advisers need scopes that connect rather than overlap. The investment case must remain one management object from concept through financial close and execution.

STRATEGIC AMBITION IS NOT BANKABILITY.

Strategic ambition is not bankability.

Vietnam's JETP pipeline makes the distinction visible at national scale: identifying strategically aligned projects is necessary, but converting them into financeable propositions requires another layer of management work. Companies face the same problem at a different scale. Capital need does not create capital readiness, and board approval does not remove technical, legal, commercial or execution uncertainty.

Bankability connects strategic intent with an external capital decision through credible economics, deliberate risk allocation, reproducible evidence, viable financing structure and accountable execution ownership. The earlier these disciplines are built, the more strategic freedom management retains.

FINAL TAKEAWAY
Do not ask only whether capital is available. Ask whether the investment is ready to absorb it.

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Public evidence basis and analytical boundary

1. Vietnam Investment Review, 29 September 2026, Bankability remains hurdle for Vietnam's JETP projects | https://vir.com.vn/bankability-remains-hurdle-for-vietnams-jetp-projects-161808.html | Current Vietnam trigger; reports UNDP workshop remarks and JETP pipeline figures.

2. European External Action Service, July 2025, Viet Nam promotes the Just Energy Transition Projects | https://www.eeas.europa.eu/jetp-vn-jul2025_en | Financing agreements and JETP project-pipeline context.

3. European External Action Service, Team Europe Energy Transition Facility | https://www.eeas.europa.eu/projects-etef_en | Technical-assistance and project-preparation architecture.

4. World Bank, Preparing bankable infrastructure projects | https://blogs.worldbank.org/en/ppps/preparing-bankable-infrastructure-projects | Bankability, risk allocation and project-preparation logic.

5. IFC, Financing Climate-Smart Investments in Cities 101 - Project Bankability | https://www.ifc.org/content/dam/ifc/doc/mgrt/201811-cioc-ifc-analysis.pdf | Bankability factors including legal framework, sponsor, revenue, risks and financing structure.

Boundary: The JETP and Bac Ai examples concern infrastructure and project finance. Corporate investments, acquisitions and transformations have different contractual and financing mechanics. The cross-application to enterprise investment readiness, governance and capital allocation is VIET TA synthesis, not a claim that all financing processes are identical.

PUBLICATION NOTE

This Executive Insight is a VIET TA management publication. It is intended to support board and management discussion and does not constitute financing, investment or legal advice.

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