Tanzania Investment Diligence Checklist

Seven ground truths foreign decision makers must verify before capital time and reputation are committed

INVESTOR DECISION RESOURCE | FIN REF 2026

FIN is the independent local visibility foreign investors do not have on the ground in Tanzania.

Use this checklist before approving an investment recommendation, entering exclusivity, releasing capital or relying on a local counterparty.

Tanzania Investment Diligence Checklist

THE DISTANCE TRAP

Foreign investors do not suffer from a shortage of Tanzanian opportunities. They suffer from a shortage of reliable, independent local visibility between what an opportunity appears to be from abroad and what is actually true, workable and defensible on the ground.

When evaluating high consequence opportunities in Tanzania, foreign decision makers often work from London, Dubai, Geneva, New York and other financial centres. Much of the information reaching boards and investment committees originates with deal sponsors, brokers, sellers or prospective local partners who benefit when a transaction closes.

Polished investment memoranda, valid legal titles and official introductions demonstrate transaction momentum. They do not, by themselves, confirm commercial usability, execution capacity or operating reality. This checklist identifies seven assumptions that require independent ground verification.

THE DECISION STANDARD

A consequential decision becomes defensible only when the information disadvantage is met with independent verification.

How to use this checklist

1 Test the claim Separate what has been presented from what has been independently confirmed.

2 Record the evidence Identify the source, date, owner and limitations of every material finding.

3 Decide deliberately Proceed, renegotiate, delay or walk away based on evidence, not transaction momentum.

Seven ground verification checkpoints

01

Licence validity and commercial usability

Presented assumption A legally issued licence or permit guarantees the right to operate.

Ground reality A licence can be formally valid while remaining commercially unusable because of boundary claims, historical royalties, unmet work programme commitments or pending regulatory review.

Verification checkpoints

☐ Has the licence register been independently checked for historical compliance and unrecorded encumbrances?

☐ Are statutory expenditure, reporting and operating milestones current with the relevant authorities?

☐ Does the licence permit the exact activities and processing methods assumed in the financial model?

02

Physical assets and site operating conditions

Presented assumption Site photographs, technical studies and sponsor descriptions accurately reflect asset readiness.

Ground reality Desktop studies and curated site visits can conceal seasonal access constraints, infrastructure gaps, equipment deficits or unverified technical claims.

Verification checkpoints

☐ Has an independent party physically validated the site, grid connection or logistics corridor?

☐ Is power, water and transport infrastructure operational today, or dependent on unbudgeted capital expenditure?

☐ Do physical asset inventories agree with technical reports and financial records?

Checkpoints 03 to 05

03

Operational capacity of local partners

Presented assumption A well connected local partner with an impressive presentation can execute the operating plan.

Ground reality Relational or political access is not the same as balance sheet strength, technical depth, governance discipline or delivery capacity.

Verification checkpoints

- ☐ What has the partner delivered on projects of comparable size and complexity?
- ☐ Does the partner possess operating capacity independently of the investor capital being sought?
- ☐ Have beneficial ownership, solvency, litigation and reputation been checked through independent sources?

04

Informal access and institutional support

Presented assumption Senior introductions and photographs with officials signal state alignment and assured approvals.

Ground reality Courteous meetings and personal access do not equal formal, legally binding institutional support or regulatory clearance.

Verification checkpoints

- ☐ Are stakeholder relationships institutionalised through written commitments rather than one individual?
- ☐ Has the project completed the required statutory and interministerial processes?
- ☐ Is there documentary evidence of government alignment beyond verbal assurance?

05

Community consent and land tenure

Presented assumption Surface rights and environmental approvals make the site immediately accessible.

Ground reality Informal land use, artisanal activity, unresolved compensation or community friction can stop a project long after transaction documents are signed.

Verification checkpoints

- ☐ Have land use patterns and community dynamics been mapped independently of sponsor led meetings?
- ☐ Are there informal occupants or artisanal workers, and is the response practical, lawful and funded?
- ☐ Are resettlement and compensation arrangements legally settled and locally accepted?

Final checkpoints

06

Integration across advisory workstreams

Presented assumption Separate legal, tax and technical advisers collectively cover every material transaction risk.

Ground reality Specialists work within narrow scopes. Commercial failures often emerge in the gaps between legal validity, technical viability and local operating reality.

Verification checkpoints

- ☐ Who owns the integrated commercial risk picture across all advisers?
- ☐ Do technical assumptions agree with local supply chain, permitting and execution realities?
- ☐ Are material red flags escalated early, or buried in specialist appendices?

07

Post close oversight and execution reporting

Presented assumption Quarterly operator reports will provide adequate visibility after signing.

Ground reality Once capital is transferred, distance recreates the information gap. Operator generated reporting alone may not reveal cost overruns, milestone slippage or operational drift.

Verification checkpoints

- ☐ Is there an independent in country presence checking physical progress against drawdown requests?
- ☐ Is there a direct escalation route for emerging operational constraints?
- ☐ How will delivery be verified before later capital tranches are released?

Decision matrix

Use the verified findings to select one of four defensible actions. The objective is not to eliminate all uncertainty. It is to ensure that the remaining uncertainty is visible, owned and proportionate to the decision.

Verification outcome	Observed ground reality	Decision	Strategic effect
Assumptions confirmed	Claims match evidence; material licences, assets and counterparties are verified.	PROCEED	Commit capital with defined monitoring controls.
Gaps identified	Liabilities, valuation gaps or delivery weaknesses are discovered.	RENEGOTIATE	Adjust valuation, conditions, milestones or governance before signing.
Questions unresolved	Material permits, studies, wayleaves or counterparty evidence remain incomplete.	DELAY	Hold approval or drawdown until evidence is independently verified.
Material red flags	Defective rights, unusable licences, insolvency or serious community conflict is confirmed.	WALK AWAY	Protect capital, time and reputation before exposure becomes irreversible.

Where FIN enters the decision

- **Verify what is real** Opportunity screening, commercial diligence support, partner verification, site validation and licence checks.
- **Protect decision interests** Independent risk interpretation, red flag escalation, stakeholder intelligence and coordination across specialist advisers.
- **Coordinate local execution** In country project coordination, contractor oversight, operational monitoring and executive reporting through a dedicated Tanzania Desk.

ESTABLISH INDEPENDENT VISIBILITY BEFORE COMMITMENT

If an active Tanzania mandate depends on assumptions that have not been tested on the ground, FIN can prepare a focused decision briefing identifying what must be verified before the next commitment point.

Contact Us at frontierintelligencenetwork.com/contact

frontierintelligencenetwork.com