Key Differences between Corporate Financing and Project Financing		
	Corporate Financing to the Sponsor	Project Financing to the SPV
Risk taken by the lenders	Capacity of the sponsor to generate cash flow	Capacity of the project to generate cash flow
Risk analysis by the lender	Analysis of the sponsor's financial statements	Thorough analysis of the project from all angles (technical, financial, tax and legal)
Available if	Sponsor has a minimum size and a good credit rating	Project analysis shows that the infrastructure is bankable on a standalone basis
Debt sizing	Based on the sponsor's metrics and its ability to repay debt	Based on the project cash flow. A buffer is calculated to ensure that, even in case of underperformance, project cash flow will be higher than debt repayment
Maturity	Rarely more than 7 or 10 years for investment grade names (depending on market conditions and liquidity available at that date)	Very long maturity can be contemplated if the lifespan of the project and the predictability of future cash flow so allows (generally between 15 and 25 years and sometimes over 30 years)
Margin	Based on sponsor's credit quality	Based on predictability of the project cash flow and the credit quality of the project's users
Risk for the sponsor	Debt repayments are due even in case of project failure	Financial risk limited to its investment in the project company
Structuring	Limited: loan and bond issuances' documentations are traditionally very standard	Complex, time consuming and costly
Security package available to the lenders	None: the bank is an unsecured creditor to the sponsor. If the financing is granted to a subsidiary of the sponsor, a corporate guarantee is offered by the main entity of the group, ensuring that lenders take a credit risk on the sponsor and not on the subsidiary	Lenders have a pledge on the shares of the SPV (they can also have a mortgage on the infrastructure itself). They have no recourse to the sponsor(s), but can repossess the SPV (or the infrastructure) in case of default
Best suited for	Small projects and/or situations where the sponsor has an excellent credit rating and wants to take advantage of this rating and retain flexibility	Large infrastructure projects, especially when (i) sponsors want to limit their exposure to a specific project; or (ii) several sponsors are involved in the project; or (iii) the sponsor is a financial sponsor; or (iv) the sponsor cannot finance the project otherwise given the limited size of its balance sheet