

The Journal of
**Project
Finance**

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Welcome to the first issue of the *Journal of Project Finance*. The Journal appears at a pivotal time for project finance. Much of the current focus in both equity and debt markets is on the rude surprises that lenders and investors have experienced in 1994 and 1995. From the emerging market sell-off in early '94 through the December peso crisis, 1994 was not a pleasant year for suppliers of debt and equity capital.

Yet the basic logic of project finance continues to propel project sponsors to expand rather than limit their use of non-recourse finance to build large capital projects.

- Project financings give sponsors the ability to shift specific risks away from their balance sheets to vendors, off-takers, concession providers, and others.
- Project financings, whether as debt or equity, direct or portfolio investments, give investors and lenders an opportunity for enhanced yields, so long as they are prepared to fully vet the financing as to risk.

Against this background, the Journal seeks to be a forum for in-depth analysis of the more important issues facing project finance. While project finance is gradually getting more attention from the financial and trade press, little is available to the public on how project sponsors and project investors approach the complex issues that projects raise.

The Journal sets its view broadly, to include project finance for utility infrastructure and industrial facilities, equity and debt finance, traditional governmental and bank finance, and alternative sources, including the capital markets and cofinancings.

We are always looking for in-depth articles on project finance, but ask that you contact the editor first before developing an article specifically for submission. General submission instructions are printed at the end of the Journal. Our aim is to make the Journal a leading forum in which readers can find fully developed discussions of major issues and trends facing this growing sector of the financial markets. We invite your comments.

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