

IN-DEPTH

Project Finance Law

PREFACE



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Project Finance Law

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Davis Polk & Wardwell LLP

In-Depth: Project Finance Law (formerly The Project Finance Law Review) provides a living guide to project finance worldwide. Updated on a regular basis, it tackles the core project finance concepts that every practitioner needs to understand – covering the most salient legal and commercial issues while also addressing key emerging trends and topics.

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Global project finance continues to evolve as one of the most critical engines for infrastructure delivery worldwide. In 2025, the sector sits at the intersection of several structural shifts: accelerating energy transition investment, exponential digital infrastructure demand and the global reconfiguration of supply chains and industrial capacity. These forces are transforming both the types of assets being financed and the way capital is sourced and deployed. Market appetite remains deep, with global infrastructure finance reaching nearly US\$1 trillion in the first half of 2025 alone, underscoring the continued centrality of infrastructure and project finance to global investment flows.

Across regions, sponsors and lenders are navigating greater complexity and scale. Traditional bank-led structures remain foundational, but the capital stack is rapidly diversifying, with private credit, institutional asset managers, export credit agencies and multilateral development banks all taking on expanded roles. Investor demand for real assets continues to strengthen, reflected in over US\$115 billion in infrastructure fundraising in the first six months of 2025 – surpassing full-year 2024 levels. Structuring innovation – including merchant-exposed hybrid revenue models, portfolio financings and alternative risk-sharing mechanisms – continues to deepen liquidity and broaden financeability, particularly for newer asset classes.

Global capital flows increasingly prioritise resilience and strategic advantage. Nations are investing in energy security, grid modernisation, physical climate adaptation and critical digital infrastructure, while geopolitical volatility and supply-chain constraints have accelerated investment in domestic and allied manufacturing, minerals processing and logistics. At the same time, sustainability objectives – whether driven by regulatory mandates, climate alignment frameworks or institutional investor expectations – continue to influence diligence standards, stakeholder governance and long-term performance monitoring.

These shifts highlight the enduring strength of project finance: its ability to mobilise private capital for large-scale, long-lived assets; its discipline in allocating and pricing risk; and its value in aligning diverse stakeholders behind shared infrastructure outcomes. Yet the industry must continue to adapt – addressing macroeconomic uncertainty, evolving policy regimes and new technology adoption across advanced nuclear, hydrogen, long-duration storage and digital energy ecosystems.

This publication unites leading practitioners from around the world to offer insight into how these global dynamics are reshaping delivery models, financing strategies and risk-management approaches in 2025 and beyond. We hope this guide serves as a valuable resource for market participants seeking to identify emerging opportunities, structure resilient investments and contribute to the next generation of global infrastructure.

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