



## GuarantCo and CGCC sign Framework Agreement and first transaction together to accelerate sustainable infrastructure investment in Cambodia

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GuarantCo, part of the Private Infrastructure Development Group (PIDG), and the Credit Guarantee Corporation of Cambodia (CGCC) have signed a Framework Agreement as part of the PIDG Credit Enhancement Facility (CEF) initiative.

The initiative seeks to accelerate the development of domestic capital markets and enhance financial inclusion through developing onshore guarantee capability. The Framework Agreement encompasses counter- and co-guarantee support from GuarantCo and technical assistance from PIDG Technical Assistance to help boost CGCC's capacity. The Framework Agreement is also aligned with the mandate and prioritisation from the Ministry of Economy and Finance, and the Securities and Exchange Regulator of Cambodia who are seeking to deepen the corporate and project bond market in Cambodia.

The Framework was signed alongside the first transaction between GuarantCo and CGCC, wherein GuarantCo has provided a 10-year, USD 7 million portfolio guarantee to CGCC. Marking GuarantCo's fourth investment in Cambodia, the portfolio guarantee will allow CGCC to mobilise further bank lending towards small and medium-sized enterprises (SMEs) in the country, with a focus on businesses supporting the green transition.

SME development is a high priority for Cambodia where a lack of access to formal banking services is common due to the nascency of green financing in the country.

The Framework Agreement follows a Memorandum of Understanding (MoU) signed in August 2024, which seeks to increase and upscale CGCC's capacity through its involvement in a range of large-scale Corporate and Project finance deals. CGCC and GuarantCo will look to execute counter- and co-guarantees under the Framework, with a particular focus on catalysing sustainable infrastructure financing via the capital markets in Cambodia.

The accompanying PIDG TA grant programme will support CGCC to develop its technical capabilities in capital markets, allowing both organisations to scale their impact in Cambodia.

**Denesh Srishanker, Group Head, Credit Enhancement Facilities at PIDG, said:** "The signing of this Framework Agreement and completion of its first transaction less than five months after our MoU with CGCC is testimony to the market acceleration we want to achieve together. Establishing in-country credit enhancement facilities is key to support local market development and is therefore an integral part of PIDG's 2030 Strategy to mobilise innovative infrastructure projects across Africa and Asia."



**Chinmay Naralkar, Deputy CEO at GuarantCo, said:** “We are delighted to put into place this Framework Agreement with the Credit Guarantee Corporation of Cambodia and whilst cementing it with an inaugural transaction. The Framework will support CGCC’s growth in providing progressive sustainable infrastructure financing through local capital markets to support a green transition. Aligned with our strategic plans, we look forward to continuing to build our momentum in Cambodia to the benefit of the environment and local people and their livelihoods.”

**No Lida, CEO of the Credit Guarantee Corporation of Cambodia, said:** “We are pleased to demonstrate early progress in our collaboration with GuarantCo and PIDG with this Framework and our first international deal. This initiative aligns with CGCC’s strategy to enhance our bond guarantee capacity and support the development of SMEs in Cambodia. We seek to embed the international best practices represented by GuarantCo and PIDG as we build our capacity. This is a true cooperation in which we will learn from each other’s expertise while driving forward sustainable infrastructure for Cambodia.”

#### Key contacts

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#### About GuarantCo

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GuarantCo mobilises private sector local currency investment for infrastructure projects and supports the development of financial markets in lower income countries across Africa and Asia. GuarantCo is part of the Private Infrastructure Development Group (PIDG) and is funded by the governments of the United Kingdom, Switzerland, Australia and Sweden, through the PIDG Trust, the Netherlands, through FMO and the PIDG Trust, France through a stand-by facility and Global Affairs Canada through a repayable facility. GuarantCo is rated AA- by Fitch and A1 by Moody’s. Since 2005, GuarantCo has enabled USD 6.8 billion of total investment and USD 5.7 billion of private sector investment, giving 44.7 million people access to infrastructure and creating around 243,000 jobs. GuarantCo’s activities are managed by GuarantCo Management Company which is part of Cardano Development [www.guarantco.com](http://www.guarantco.com)

To find out more visit: [www.guarantco.com](http://www.guarantco.com)

#### About PIDG

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The Private Infrastructure Development Group (PIDG) is an innovative infrastructure project developer and investor which mobilises private investment in sustainable and inclusive infrastructure in sub-Saharan Africa and south and south-east Asia. PIDG investments promote socio-economic development within a just transition to net zero emissions, combat poverty and contribute to the Sustainable Development Goals (SDGs). PIDG delivers its ambition in line with its values of pioneering, partnership, safety, inclusivity and urgency.

PIDG offers Technical Assistance for upstream, early-stage activities and concessional capital; its project development arm – which includes InfraCo Africa and InfraCo Asia – invests in early-stage project development and project and corporate equity. PIDG credit solutions include EAAIF (the Emerging Africa & Asia Infrastructure Fund), one of the first and more successful blended debt fund in low-income markets; GuarantCo, its guarantee arm that provides credit enhancement and local currency solutions to de-risk projects; and a growing portfolio of local credit enhancement facilities, which unlocks domestic institutional capital for infrastructure financing.

Since 2002, PIDG has supported 233 infrastructure projects to financial close, which provided an estimated 228 million people with access to new or improved infrastructure. PIDG is funded by the governments of the United Kingdom, the Netherlands, Switzerland, Australia, Sweden, Global Affairs Canada, Germany, and the IFC. [pidg.org](http://pidg.org)

### **About CGCC**

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CGCC is the only credit guarantee corporation in Cambodia, established by the Royal Government of Cambodia as a state-owned enterprise under the technical and financial guidance of the Ministry of Economy and Finance. The primary mission of CGCC is to provide credit guarantees to improve financial inclusion and support the growth of SMEs in Cambodia. On 31 January 2024, CGCC launched as the First Cambodian Bond Guarantor after being accredited by the Securities and Exchange Regulator of Cambodia (SERC) and rated khAAA, the highest rating by the local rating scale, by the Rating Agency of Cambodia on 19 December 2023. CGCC aims to provide guarantees on local corporate bond issuances on the Cambodia Securities Exchange (CSX) to support local companies raising funding and the development of the securities sector in Cambodia. [www.cgcc.com.kh](http://www.cgcc.com.kh)