



CREDIT GUARANTEE FUND AFGHANISTAN

Addendum: Q&A on ToR

Project: Due Diligence of Mutahid Development Finance Institution

Date: 06.08.2024

- *Individual loan exposure review*: TOR explained the procedures very clearly. We would appreciate if the objectives of the review is further elaborated which would help us in designing a verification plan. Objectives could be to assess effectiveness of controls, checking staff capabilities, compliance of credit policies, evaluation of loan portfolio quality, etc.

ACGF: The main objective is to assess the level of compliance with the respective Policy and Procedures in issuance and management of outstanding financings. All the examples mentioned above would apply, but not exclusively.

- Please provide more detail on the role and responsibilities and scope of work of *Environmental and Social Expert*.

ACGF: The ToR indicates in the Assessment Methodology section that “*Mutahid DFI shall be assessed based on a comprehensive framework, in coherence with common regulatory/best practice approaches for the assessment of financial institutions’ viability*”. This includes Environmental and Social considerations