Annex 1 to OPG: **Terms of Reference for the ERSO Steering and Monitoring Committee (SMC)**

_Complementing OPG Provisions 4.13-4.18_

1. **Frequency and Organisation of Meetings (4.14)**

The SMC will meet at least once per year throughout the period of the ERSO experimental period (2008 to 2011). Additional meetings may be scheduled as need arises. In between meetings, virtual consultation and briefings on key developments will be undertaken.

2. **Compensation (4.14)**

Steering Committee members will receive no remuneration, but will have travel and other meeting costs covered.

3. **Tasks (4.15)**

The initial tasks of the Steering Committee will be as follows:

a) refine the draft ERSO Operations Manual reflecting the state of the art of this kind of transactional arrangements and the knowledge base of the SMC members;
b) advise the Executive Director on the methodologies and models relevant to ERSO projects that can best attract domestic capital into the housing and urban development process;
c) advise the Executive Director on the best structures and arrangements for the financing mechanisms envisaged under the ERSO mandate;
d) map out ways in which existing international and domestic finance bodies can contribute to and interact with ERSO;
e) propose criteria on how the ERSO projects can best be designed, developed and implemented;
f) identify national policy frameworks, economic conditions and institutional arrangements necessary for application of ERSO projects;
g) advise on the relevant monitoring and evaluation processes that could be adopted in order to strengthen and build confidence about the ERSO approach;
h) report to the Executive Director for onward reporting to the Governing Council for UN-HABITAT.

4. **Requirements for Representatives of Donor Countries (4.17)**

- Condition for membership is a financial contribution to the ERSO Trust Fund at the minimum determined by the Executive Director. In-kind contribution are being considered.

5. **Requested Profile of Regional Representatives (4.16 / 4.17)**

- Proposed members should be (or have been) senior-level practitioners of major public or private financial institutions engaged in providing financial services for low- and middle income customers in the field of housing and related infrastructure.
- Nominated shelter finance experts must have strong support of their respective country government as well as the entire regional group.

6. **Profiles of potential additional SMC Members (4.18)**

- Representatives of IFIs/Regional Development Banks or other development actors (multi-/bilateral) with experience in seed-capital operations
- Domestic Banking Experts/representatives of Microfinance institutions engaged in shelter-related seed-capital operations
- Representatives of Non-Profit Organisations/Foundations or Community-Finance organizations with experience in pro-poor housing/infrastructure lending and seed-capital operations
- Low-Income Housing Developers from developed and/or developing countries
- Policy Makers with experience in improving investment conditions in shelter finance