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Stocktaking of the Housing Sector in Sub-Saharan Africa Part 2: Cameroon

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Abbreviations and Acronyms

AFD	Agence Francaise de Développement (French Development Agency)
AfDB	African Development Bank
AES-Sonel	AES Corporation – Société Nationale d'Électricité du Cameroun
ANOR	Agence des Normes et de la Qualité (National Agency for Standards and Quality)
APIC	Association des Promoteurs Immobiliers du Cameroun (Cameroon Association of Real Estate Developers)
ARSEL	Agence de Régulation du Secteur de l'Électricité
BEAC	Banque des États de l'Afrique Centrale (Bank of Central African States)
BICEC	Banque International du Cameroun pour l'Épargne et le Crédit (International Bank of Cameroon for Savings and Credit)
CAHF	Centre for Affordable Housing Finance in Africa
CAMCCUL	Cameroon Cooperative Credit Union League
CAMPOST	Cameroonian Postal Service
CAMWATER	Cameroon Water Utilities Corporation
CCA	Crédit Communautaire d'Afrique
CdE	Camerounaise des Eaux
CEGeP	Cabinet d'Experts en Gestion de Patrimoine (Cabinet of Experts in Wealth Management)
CEMAC	Communauté Économique et Monétaire de l'Afrique Centrale (Economic and Monetary Community of Central Africa, EMCCA)
CFC	Credit Foncier du Cameroun (Cameroon Housing Loan Bank)
CIMENCAM	Cimenteries du Cameroun
CNPS	Caisse Nationale de Prévoyance Sociale (National Social Insurance Fund)
COBAC	Commission Bancaire de l'Afrique Centrale (Banking Commission of Central Africa)
CTD	Collectivité Territoriale Décentralisée (Decentralized Territorial Authorities)
CUD	Communauté Urbaine de Douala (Douala Urban Community)
CTS-PC	Chinese Programme Specialised Technical Committee
CUY	Communauté Urbaine de Yaoundé (Yaoundé Urban Community)
DFI	Direct Foreign Investment
ECA	Economic Commission for Africa
ECAM	Enquête Camerounaise Auprès des Ménages (Cameroon Household Survey)
EESI	Enquête sur l'Emploi et le Secteur Informel (Survey on Employment and the Informal Sector)
FCFA	Franc Communauté Financière Africaine
FEICOM	Fonds Spécial d'Équipement et d'Intervention Intercommunale (Special Fund for Equipment and Inter-Municipal Intervention)
GDP	Gross Domestic Product
GESP	Growth and Employment Strategy Paper
GPHC	General Population and Housing Census
Ha	hectares
HDI	Human Development Index
HMF	Housing Microfinance
ILO	International Labour Organization
IMF	International Monetary Fund

JMP	WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation
LCB	Land Consultative Board
MAGZI	Mission d' Aménagement et de Gestion des Zones Industrielles (Industrial Zones Development and Management Mission)
MAETUR	Mission d'Aménagement et d'Équipement des Terrains Urbains et Ruraux (Urban and Rural Land Development Authority)
MC2	Mutuelle Communautaire de Croissances (Community Growth Mutual Funds)
MDG	Millennium Development Goal
MFI	Microfinance Institution
MINDAF	Ministre des Domaines et des Affaires Foncières (Ministry of State Property and Land Tenure)
MINDCAF	Ministre des Domaines du Cadastre et des Affaires Foncières (Ministry of State Property, Surveys and Land Tenure)
MINDUH	Ministre du Développement Urbain et de l'Habitat (Ministry of Urban Development and Housing)
MINHDU	Ministre de l'Habitat et du Développement Urbain (Ministry of Housing and Urban Development)
MIPROMOLO	Mission de Promotion des Matériaux Locaux (Local Materials Promotion Authority)
MOU	Memorandum of Understanding
MSD	Materials-Society-Development
NIS	National Institute of Statistics
NPL	Non-performing loan
OHADA	Organisation pour l'Harmonisation en Afrique du Droit des Affaires
ONAC	l'Ordre National des Architectes du (Cameroun National Order of Architects)
PACDDU	Programme d'Appui aux Capacités Décentralisées du Développement Urbain (Decentralised Capacity Support Programme for Urban Development)
PACHAS	Programme d'Access a l'Habitat Social (Access to Social Housing Programme)
PAMOCCA	Projet d'Appui à la Modernisation du Cadastre et au Climat des Affaires (Support Project for Modernization of the Land Registration System and Business Climate)
PDU1	First Urban Project
PDU2	Second Urban Project
PDUE	Project de Développement des secteurs Urbain et de l'approvisionnement en Eau (Urban Sector Development and Water Supply Project)
PID	Projet Infrastructure de Douala (Douala Infrastructure Project)
PPAB	Programme Participatif d'Amélioration des Bidonvilles (Participatory Slum Upgrading Project)
PPP	Public-private partnership
RGPH	Recensement Général de la Population et de l'Habitat
SAD	Société d'Aménagement de Douala
SIC	Société Immobilière du Cameroun (Cameroon Real Estate Company)
SME	Small and medium enterprise
SMIG	Salaire Minimum Interprofessionnel Garanti (Guaranteed Minimum Wage)
SNEC	Société Nationale des Eaux du Cameroun (Cameroon National Water Corporation)
SONEL	Société Nationale d'Electricité
SOPRIN	Société de Promotion Immobilière Nationale

SSA	Sub-Saharan Africa
UCCC	United Councils and Cities of Cameroon
VAT	Value Added Tax
WPP	Water Partnership Program
WSP	Water and Sanitation Program

1. Overview of the Housing Situation

Cameroon is located in west-central Africa and covers an area of about 475,500 square kilometres. It is bordered by the Atlantic Ocean to the west, Nigeria to the north and west, Chad to the northeast, the Central African Republic to the east, the Republic of the Congo to the southeast, and Gabon and Equatorial Guinea to the south. With a Gross Domestic Product (GDP) growth rate of 4.8% in 2013, Gini Coefficient of 38.9 (2013) and 30.4% of the population living on less than \$2 a day, Cameroon has a Human Development Index (HDI) value of 0.495 and is ranked 150th in the world out of 187 countries in the 2013 Human Development Report.¹ It is classified as a lower income country by the World Bank.

With its favourable agricultural conditions, significant mineral and forest resources, and modest oil resources,² Cameroon boasts one of the best-endowed primary commodity economies in sub-Saharan Africa (SSA). However, total resource mobilization accounts for only around 20% of GDP.³ The country thus faces many of the serious challenges confronting other underdeveloped SSA countries, including stagnant per capita income, a relatively inequitable distribution of income and a generally unfavourable climate for doing business.⁴ And while economic growth has continued to gain momentum, as in SSA in general, Cameroon's economy remains vulnerable to a variety of internal and external shocks.⁵ Still, Article 25(1) of the *Constitution of the Republic of Cameroon*⁶ affirms that:

"Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstance beyond his control."

The national population, which is growing by approximately 2.3% annually, was estimated at 22,534,532 in 2013; with the urban population accounting for an estimated 52.1% and growing at an annual rate of 3.2% (2010-15 estimate).⁷ About 20% of the national population lives in the country's two major cities—Yaoundé, the political capital, and Douala, the economic capital—which in 2011 had estimated populations of 2.432 million and 2.053 million respectively.⁸ The two cities, which have the highest annual population growth rates (Yaoundé—7% and Douala—6.5%) also account for nearly 43% of the urban population, while thirty other cities have a populations of between 50,000 and 200,000.⁹

¹ UNDP, "Human Development Report 2013 - The Rise of the South: Human Progress in a Diverse World," (New York: United Nations Development Programme, 2013).

² The contribution of the oil sector to GDP growth has in recent years been mostly negative, with oil production estimated to have contracted by a further 10% in 2011 (to 21.1 million barrels). This is owing to depleting reserves, aging equipment and, more recently, postponements of some investments and development projects because of the 2008-09 financial crisis. World Bank, "Unlocking the Labor Force: An Economic Update On Cameroon - With a Focus on Employment," *Cameroon Economic Update, January 2012, Issue No. 3* (Washington, DC: World Bank, 2012).

³ World Bank, "Cameroon: The Path to Fiscal Decentralization – Opportunities and Challenges," *Report No.: 63369-CM* (Washington, DC: World Bank, 2011).

⁴ The World Factbook <https://www.cia.gov/library/publications/the-world-factbook/geos/cm.html>.

⁵ World Bank, "Mitigating Poverty, Vulnerability, and Risk: A Special Focus on Social Safety Nets," *Cameroon Economic Update, January 2013, Issue No. 5* (Washington, DC: World Bank, 2013).

⁶ Law No. 96-06 of 18 January 1996 to amend the Constitution of 2 June 1972.

⁷ http://www.theodora.com/wfbcurrent/cameroon/cameroon_people.html.

⁸ http://www.theodora.com/wfbcurrent/cameroon/cameroon_people.html.

⁹ Republic of Cameroon, "Note de Politique du Gouvernement en Matière d'Habitat Social," *Draft Preliminaire* (Yaoundé: Ministry of Housing and Urban Development, 2014).

National and urban demographic dynamics, among other factors, have led to a significant housing deficit. According to a 2014 Government Policy Note on Social Housing,¹⁰ the housing supply gap, which stood at over one million units in 2010, has been growing at an annual rate of 10%, and had thus increased to nearly 1.5 million units in 2013.

The *Cameroon Urban Development Strategy: Status and Diagnostic Assessment* report¹¹ identifies the following as the underlying causes of the quantitative and qualitative deficit in the housing stock, and the failure of housing supply to keep pace with rising demand:

- Government budgetary support for housing was adversely affected by the economic crisis.
- The formal private sector's contribution to housing supply has, to date, been limited owing to a low level of professionalism among developers and poor regulation.
- Most of the housing demand has been met through self-construction (autopromotion/ autoconstruction).
- Supply of building materials has been problematic for some years, with regular shortages.
- Local building materials, which could be used in place of conventional building materials and reduce costs, are underutilised and not effectively promoted.¹²
- Lack of professionalism among small and medium enterprises (SMEs)/small and medium contractors and artisans, which has led to poor quality construction.
- Lack of a credit system and loan guarantees adapted to the needs of private developers, contractors, prospective buyers and self-constructors/autopromoters to finance their housing projects, to purchase housing or to build a house incrementally through self-build.
- The high cost of building materials.

These problems are reflected in the problem tree presented in the *Cameroon Urban Development Strategy: Status and Diagnostic Assessment*,¹³ which is shown in Figure 1; and are elaborated and analysed in subsequent sections below.

The substantial and growing deficit in the housing stock is a consequence of weaknesses in Cameroon's housing ecosystem, including in the demand and supply chains. This has led to the development and expansion of slums and informal settlements in all the major cities and towns. According to official statistics, 57.3% of the urban population live in slums and informal settlements; but other estimates put the figure at 75%.¹⁴ UN-Habitat estimates that slums and informal settlements are growing at an annual rate of 5.5%.¹⁵

¹⁰ Ibid.

¹¹ Republic of Cameroon, "Stratégie de Développement Urbain du Cameroun: États des Lieux et Bilan Diagnostic," *Document No. 1* (Yaoundé: Ministry of Urban Development and Housing, 2010). In its efforts to address the housing challenge, the Government has conducted and commissioned several studies, the findings and recommendations of some of which are used in the stocktaking and analysis of the housing sector.

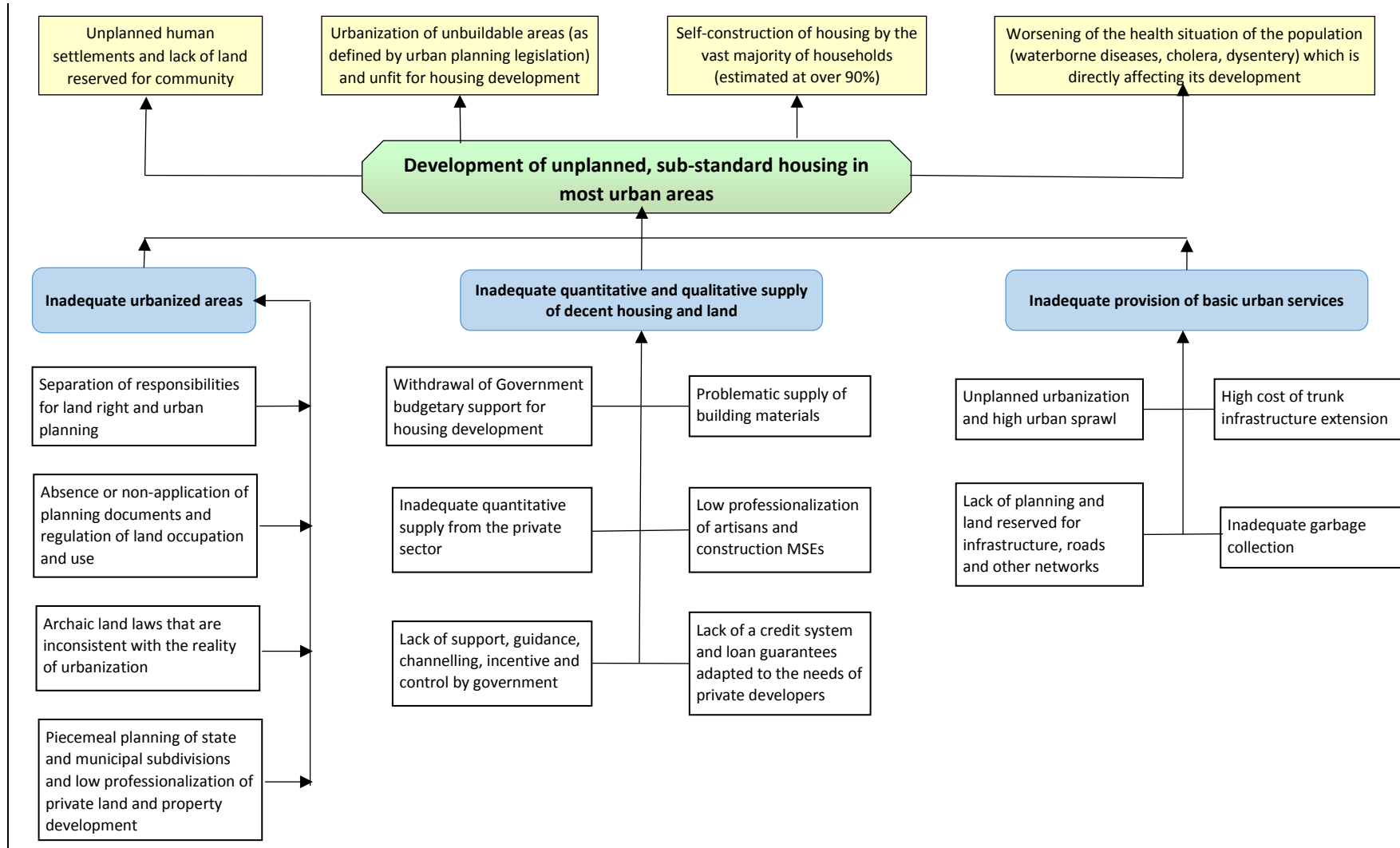
¹² This point was emphasised by the Director of MIPROMALO, Prof Uphie Chinje Melo, in an interview on 23 May 2014.

¹³ Republic of Cameroon, "Stratégie de Développement Urbain du Cameroun: États des Lieux et Bilan Diagnostic."

¹⁴ Meike van Ginneken, Jan Drozd, and Miguel Vargas-Ramirez, "Briefing Note: Towards Progress on Sanitation: The Case of Cameroon," *WP Briefing Note 3 / February 2013* (2013).

¹⁵ UN-Habitat, "Profil Urbain National du Cameroun," (Nairobi: United Nations Human Settlements Programme, 2007).

Figure 1: Problem Tree: Urban planning-Housing-Living conditions



Source: Republic of Cameroon, 2010, p.109¹⁶

¹⁶ Republic of Cameroon, "Stratégie de Développement Urbain du Cameroun: États des Lieux et Bilan Diagnostic."

Housing policy

Housing policy in Cameroon has evolved through four notable phases as summarised in Box 1, which have met with limited success in supplying buildable land and increasing the stock of decent, affordable housing. Hence, the Government has undertaken to formulate and implement a new housing policy targeting, in particular, the majority low income population. The main objective of the new policy, as articulated in a briefing document prepared by the Ministry of Housing and Urban Development (MINHDU),¹⁷ is to increase the supply of decent housing and buildable plots for the majority of the population, in particular the most disadvantaged groups. The specific and operational objectives of the new policy are the following:

- Reduction of the cost of housing construction through direct government subsidies and tax reduction on building materials.
- Supervision and stimulation of the supply of buildable plots and housing by private developers.
- Improvement of the legal, regulatory and institutional framework for urban planning and housing.
- Provision of incentives for the intervention of international sector professionals and technology transfer of mass affordable housing construction.
- Poverty reduction through job creation and massive support from national economic growth.
- The fight against uncontrolled and substandard housing.

However, the same briefing document states that the policy is essentially targeting the middle income population, with a monthly household income of 100,000 to 200,000 FCFA (about US\$ 209 to 418).¹⁸

The above elements of the new housing policy are encapsulated in the flagship Government Programme of Construction of 10,000 Social Housing Units and Development of 50,000 Buildable Plots (*Programme Gouvernemental de Construction de 10,000 Logements Sociaux et d'Aménagement de 50,000 Parcelles Constructibles*),¹⁹ which is being implemented in the ten regional capitals. The Government defines social housing as:

- a set of steps to produce, for the benefit of the poor, a plot and / or housing, completed or not, part of the cost of which is borne by the State.
- a housing option targeting low and middle income households which is produced by institutions managing access to housing and which excludes immediate individual property.²⁰

The *Growth and Employment Strategy Paper* (GESP)²¹ also proposes four objectives and identifies six strategies aimed at controlling urban development and improving the living conditions of urban populations, which are summarized in Box 2. The objectives include development of 50,000 buildable plots and construction of 17,000 low cost houses; and halving the percentage of the urban population which does not consistently have access to safe drinking water, electricity and ICT supply.

¹⁷ Republic of Cameroon, "Programme Gouvernemental de Construction de Logements Sociaux au Cameroun," (n.d.).

¹⁸ This point was repeatedly emphasized by all the senior government officials that were interviewed during the country visit, with respect to the government flagship social housing programme. They all stressed that the social housing that is being provided is "social" by virtue of the fact that it is subsidized by the government; and that it is not meant to be "low cost" housing targeted at the poor.

¹⁹ The 10,000 housing units include: 4,500 housing units each in Yaoundé and Douala; 400 housing units in all other regional capitals; 150 housing units in the industrial cities of Limbé, Edéa and Kribi; 150 housing units in the university cities of Dschang, Bangangté and Soa; 300 housing units in all other departmental capitals.

²⁰ Republic of Cameroon, "Strategie Nationale de Financement du Logement Social au Cameroun: Choix Strategiques," (Yaoundé: Ministry of Urban Development and Housing, 2010).

²¹ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020," (Washington, D.C.: International Monetary Fund, 2009).

Box 1: Evolution of housing policy and performance of SIC, MAETUR and CFC

Housing policy and social housing in Cameroon has evolved through four major periods:²²

- **Before 1976:** Saw the beginnings of the interest of the State in urban development and housing. During this period, which was dominated by self-construction, SIC constructed a total of 3,200 housing units in the three cities of Yaoundé, Douala and Garoua, of which 640 were for sale and 2,560 for rent.
- **From 1976 to 1986:** The State became actively involved in promoting and constructing social housing, through the creation of an institutional framework: the Urban and Rural Land Development Authority (MAETUR), created in 1977; Cameroon Housing Loan Bank (CFC), created in 1977; Cameroon Real Estate Company (SIC), restructured in 1978; and Ministry of Urban Development and Household (MINDUH), created in 1979.

The synergy created through the close co-operation between SIC, MAETUR and CFC under the supervision of the MINDUH enabled the completion by SIC of the Pilot Programme of 1,100 housing units between 1979 and 1982, followed by the Triennial Programme of 7,100 housing units from 1981 to 1986. This increased the housing stock by an additional 8,200 housing units. During this period, MAETUR supplied 30,000 plots; and CFC provided financing amounting to about 99 billion FCFA.

- **From 1986 to 2004:** the State withdrew from housing production owing to the economic crisis; and there was a resultant breakdown in the collaboration between SIC, MAETUR and CFC.

During this period, SIC performed some operations in the existing cities, which included construction of the Mfandena Residence in Yaoundé, comprising eight buildings with a total of 160 medium-standard apartments, which also marked the first experience of co-ownership in Cameroon. The total housing stock built by SIC during this crisis period is estimated at 305 units.²³

This led to an increase in the housing deficit and proliferation of informal settlements in urban areas.

- **From 2004 to date:** After two decades of economic recession, the Government once again began addressing the housing challenge as a priority, especially because the deficit had increased owing to continued rural-urban migration and natural population growth, coupled with the degradation of the existing housing stock.

December 2009 saw the launch of the Government Programme of Construction of 10,000 Social Housing Units and Development of 50,000 Plots. The achievements of the programme, to date, include:

- 1,675 housing units built/ under construction by 36 local SMSE (80 apartment clocks in Yaoundé, and 40 in Douala);
- 1,320 housing units have been constructed by the Chinese company SNC SHENYANG: 660 in Olembé, Yaoundé, and 660 in Mbanga Bakoko, Douala, of a projected total of 1,500 for six cities in Cameroon;
- 640 housing units are under construction by COFFOR-CEMAC, an international firm, with funding from a financial syndicate headed by CFC.

SIC has also recently (in 2014) completed the construction of the Nkolondom Residential Area in Yaoundé (32 villas and duplex) and “Le Djoungolo” Residence (high-end apartments) in the Hippodrome neighbourhood in Douala.²⁴

In sum, SIC has produced 11,500 social housing units, not taking into account those of the Government Programme underway (3,635 units), against a demand of more than 1,200,000 units, of which 80% is from the two biggest cities of Yaoundé and Douala.

CFC has mobilised housing finance totalling about 275 billion FCFA. to which should be added the 27 billion FCFA disbursed under the current Government programme.

²² As identified by the Director of SIC in his presentation to the Information Seminar for Parliament on Government Policy Regarding Promotion of Social Housing in Cameroon (18 June 2014) SIC, "Exposé du DG de la SIC," *Séminaire d'Information des Parlementaires sur la Politique du Gouvernement en Matière de Promotion des Logements Sociaux au Cameroun* (Yaoundé2014).

Box 2: Strategies to control urban development and improve living conditions of urban populations

The Government plans to control urban development and improve the livelihood and living conditions of the urban population continue to be an obligation for towns and cities to fully play their role of stimulating economic growth. For this reason, the government proposed the following objectives: (I) curb the pace of urbanization increasing (to 57 per cent in 2020); (ii) build 150 km of tarred roads and 17,000 low-cost houses, develop 50,000 plots of land; (III) halve the percentage of the urban population which does not consistently have access to safe drinking water, electricity and ICT supply; (iv) reinforce industry, the private sector, governance and human resources in the urban sub-sector.

Six key strategies have been identified to achieve these goals,: (I) maintaining and rehabilitating urban infrastructure; (II) developing urban infrastructure; (III) improving access to basic urban services; (iv) controlling occupation of land; (v) protecting vulnerable social groups; and (vi) building the sector's institutional capacities,

Source: GESP, p,64

A. Housing Demand and Affordability

Housing need and housing demand are normative concepts—the satisfaction of which requires a value judgment as to what should or ought to be done. However, in cases such as that of Cameroon where the right to housing is enshrined in the Constitution, housing need is quite distinct from housing demand.²⁵ And indeed, “‘need’—shortfalls from certain normative standards of adequate accommodation—is commonly distinguished from ‘demand’—the quantity and quality of housing which households will choose to occupy given their preferences and ability to pay.”²⁶

Housing demand drivers include demographic trends, such as population growth, migration rates, population age structure and household formation; and household socioeconomic characteristics, such as educational level, marital status, household size, employment status and income.

Population growth and distribution

The Republic of Cameroon is made up of ten administrative regions, namely: Adamawa, Central, East, Far North, Littoral, North, Northwest, West, South and Southwest. Yaoundé, the political capital is also the capital of Central Region, while Douala, the economic capital, is the capital of Littoral Region. Three general population and housing censuses (GPHCs) have been conducted to date—in April 1976, April 1987 and November 2005 respectively—which have collected sociodemographic data and information, as well as data and information on the housing stock and living conditions of both rural and urban dwellers in the ten administrative districts. Table 1 shows the population in each of the ten administrative districts as counted during the three censuses, and as estimated in 2012.

²³ The Government also ordered a reduction in the selling prices and rent charged for the housing units, thereby depriving SIC of revenue dedicated to the repayment of its debt towards the Government and CFC which amounted to FCFA 72,772,240,373; and to the poor maintenance of the SIC housing stock.

²⁴ Details of SIC's housing projects can be found on its website: <http://sic.cm>.

²⁵ Robin Edwards, "Some post-meeting thoughts on need and demand for housing," *BSPS Meeting Monday December 16th: Estimating Future Household Formation* (n.d.).

²⁶ Glen Bramley et al., "Estimating Housing Need," (London: Department for Communities and Local Government, 2010). p.25

Table 1: Population size and distribution in the ten administrative regions in Cameroon

Région	Capital	Population				Proportion (%)			
		1976	1987	2005	2012 (estimate)	1976	1987	2005	2012 (estimate)
Adamawa	Ngaoundéré	359,334	495,185	884,289	1,080,500	4.7	4.7	5.1	5.3
Centre	Yaoundé	1,176,743	1,651,600	3,098,044	3,730,800	15.4	15.7	17.7	18.3
East	Bertoua	366,235	517,198	771,755	815,500	4.8	4.9	4.4	4.0
Far North	Maroua	1,394,765	1,855,695	3,111,792	3,669,600	18.2	17.7	17.8	18.0
Littoral	Douala	935,166	1,352,833	2,510,263	3,037,600	12.2	12.9	14.4	14.9
North	Garoua	479,158	832,165	1,687,959	2,222,200	6.3	7.9	9.7	10.9
North West	Bamenda	980,531	1,237,348	1,728,953	1,855,200	12.8	11.8	9.9	9.1
West	Bafoussam	1,035,597	1,339,791	1,720,047	1,834,800	13.5	12.8	9.8	9.0
South	Ebolowa	315,202	373,798	634,655	713,500	4.1	3.6	3.6	3.5
South West	Buéa	620,515	838,042	1,316,079	1,427,100	8.1	8.0	7.5	7.0
Cameroon		7,663,246	10,493,655	17,463,836	20,386,800	100.0	100.0	100.0	100.0

Source: 3^{ème} RGPH Vol. II Tome 01: Table 3.5, p.29²⁷ and City Population²⁸.

Urbanization rate

Cameroon's urban population has grown rapidly over the inter-censal periods, as Table 2 shows. The 2005 GPHC counted 8,514,938 people living in urban areas and 8,948,898 in rural areas, which translates to an urbanization rate of 48.8% compared with 28.1% in 1976 and 37.8% in 1987. Indeed, the population growth figures in Table 2 and Table 3 point to high levels of migration to the administrative capitals. As Table 4 shows, the urban population is concentrated in Centre (26.9%) and Littoral (28.8%) regions, in which the two largest cities, Yaoundé and Douala respectively, are located. The rural population share has thus been steadily declining while the urban population share has been steadily rising, as illustrated in Figure 2. The rapid urban growth has stretched the capacity of both the central and local governments to effectively plan and manage the development of the rapidly growing cities and towns, and deliver urban services and housing to the citizenry.

Table 2: Urban-rural distribution (%) of the national population in 1976, 1987 and 2005

Census Year	Place of residence				Rate of growth (%)		
	Total	Urban		Rural		Urban	Rural
		Population	%	Population	%		
1976	766 3246	2 154 640	28.1	5 508 606	71.9	-	-
1987	1 0493 655	3 968 919	37.8	6 524 736	62.2	6.4	2.2
2005	17 463 836	8 514 938	48.8	8 948 898	51.2	4.2	1.7

Source: 3^{ème} RGPH Vol. II Tome 01: Table 3.1, p.25

²⁷ BUCREP, "3^{ème} RGPH Volume II - Tome 01: Etat et Structures de la Population," (Yaoundé: Bureau Central des Recensements et des Etudes de Population (BUCREP), 2012).

²⁸ <http://www.citypopulation.de/Cameroon.html>

Table 3: Population growth in the administrative region capital cities

City	Region	Population			Average annual growth rate (%)	
		1976	1987	2005	1976-1987	1987-2005
Ngaoundéré	Adamawa	38,840	78,062	152,698	6.5	3.7
Yaoundé	Centre	313,706	649,252	1,817,524	6.8	5.7
Maroua	East	67,187	123,296	201,371	5.7	2.7
Bertoua	Far North	14,982	43,402	88,462	10.1	3.9
Douala	Littoral	458,426	809,852	1,907,479	5.3	4.7
Garoua	North	63,900	141,839	235,996	7.5	2.8
Bamenda	North West	48,111	110,142	269,530	7.8	4.9
Bafoussam	West	62,239	112,681	239,287	5.5	4.1
Ebolowa	South	18,239	34,771	64,980	6.0	3.4
Buéa	South West	24,584	32,871	90,088	2.7	5.6

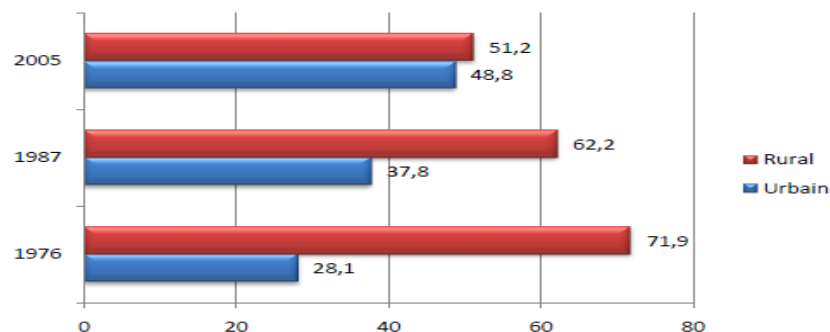
Source: 3^{ème} RGPH Vol. II Tome 01: Table 2.15, p.23

Table 4: Distribution of ordinary households²⁹ by Region and place of residence (2005)

Region	Number of Households			% Distribution		
	Urban	Rural	Total	Urban	Rural	Total
Adamawa	59,206	91,667	150,873	3.3	5.7	4.4
Centre	480,353	170,546	650,899	26.9	10.6	19.1
East	53,021	93,917	146,938	2.9	5.8	4.3
Far North	117,427	383,913	501,340	6.6	23.8	14.7
Littoral	513,250	45,538	576,788	28.8	2.8	17.0
North	81,013	201,979	282,992	4.5	12.5	8.3
North West	122,832	182,387	305,219	6.9	11.3	9.0
West	201,559	147,422	348,981	12.5	8.3	10.3
South	56,324	97,315	153,639	3.2	6.0	4.5
South West	134,168	147,509	281,677	7.5	9.1	8.3
Total	1,783,016	1,616,330	3399346	52.5	47.5	100.0

Source: 3^{ème} RGPH Vol. II Tome 04, p.12

Figure 2: Distribution (%) of the population of Cameroon by residence in 1976, 1987 and 2005



Source: 3^{ème} RGPH Vol. II Tome 01: Figure 3.1, p.26

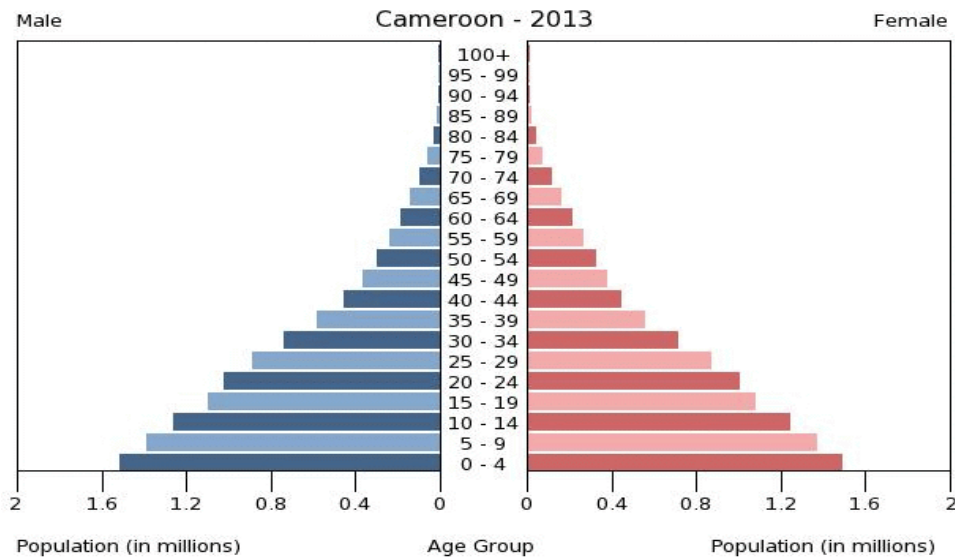
²⁹ The 3rd GPHC defines an “ordinary household” as a single person or a group of related or unrelated persons living in the same dwelling unit and often meeting their basic needs together under the authority of one person whom they regard as the head.

Population pyramid

Cameroon's population pyramid, shown in Figure 3, is characterized by a wide base, indicating a high fertility rate, a predominantly young population and a relatively high dependency ratio. The age profile of the population has key socioeconomic implications and shapes overall demand, thereby influencing the relative strengths and weaknesses of various sectors of the economy, including the housing market.

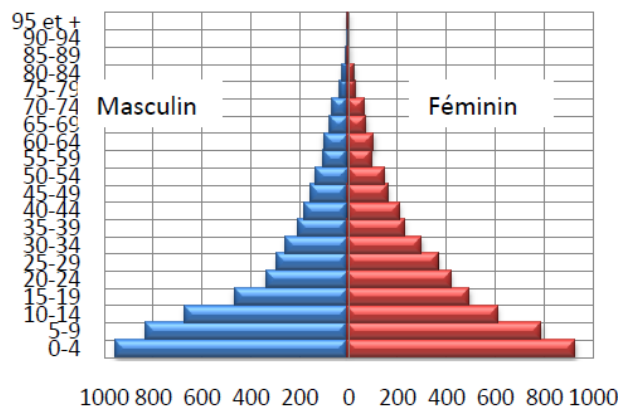
The rural population pyramid shown in Figure 4 is similar in shape to the national one, with the largest cohort being the 0-4 age bracket indicating a high birth rate and large number of dependent children. However, the urban population pyramid, shown in Figure 5, displays a very significant youth bulge, with the 15-19 age cohort being the second largest after the 0-4 age group. The youth bulge implies an impending rise in housing demand as growing numbers of young people reach marriage age and form new households, most of which will have children. This has significant implications for urban housing demand in terms of housing type and affordability.

Figure 3: Population pyramid (2013)



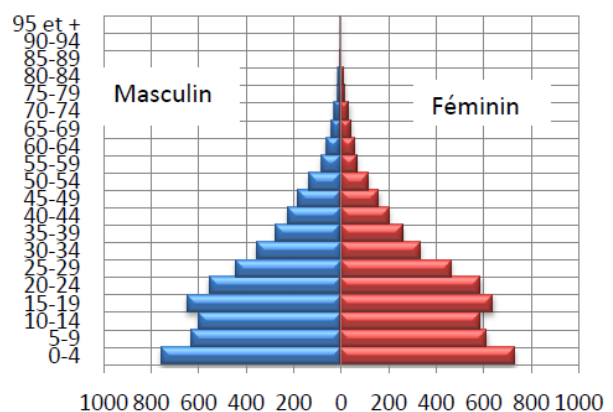
Source: http://www.indexmundi.com/cameroon/age_structure.html

Figure 4: Rural population pyramid (2005)



Source: 3^{ème} RGPH Vol. II Tome 01: Figure 4.3, p.49

Figure 5: Urban population pyramid (2005)



Source: 3^{ème} RGPH Vol. II Tome 01: Figure 4.4, p.49

Household size

In 1987, there were far more households living in rural areas (61.5%) than in urban areas (38.5%); but in 2005 the situation was reversed, with more households in urban (52.5%) than rural (47.5%) areas, as Table 5 shows. Indeed, the average annual urban household growth rate (4.8%) in the intercensal period was about five times higher than that of rural households (0.9%). There was thus an average of 58,365 new urban households formed each year compared to 40,693 new rural households. The rate of new household formation is a key driver of housing demand.

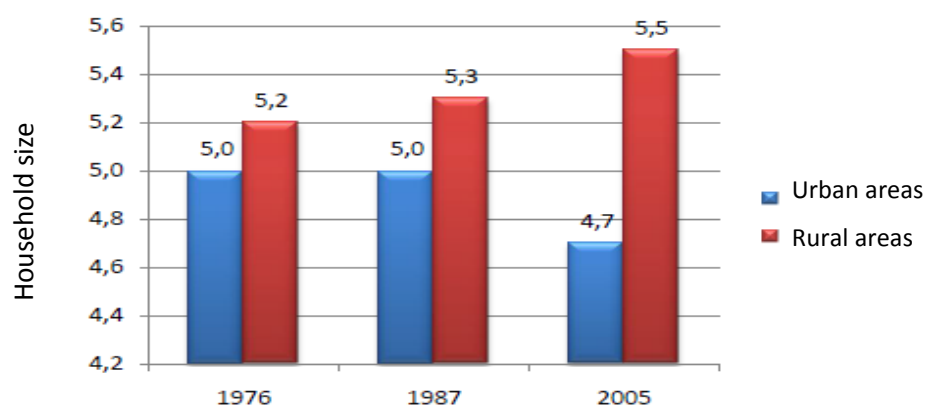
A notable feature of the intercensal sociodemographic change, shown in Figure 7, is the marginal increase in the average rural household size of 0.3 persons from 5.0 in 1976 to 5.3 in 2005, while the average urban household size reduced marginally by 0.3 persons from 5.0 in 1976 to 4.7 in 2005. However, the Third Cameroon Household Survey (ECAM3) conducted in 2007 found that average household size appears to be declining only among better off urban households, with the average number of persons in non-poor households being three compared to six in poor households. This trend has significant implications for housing demand and affordability. Declining average urban household size is an almost universal trend in SSA countries, with urban households tending to be smaller than rural ones owing to the significantly higher cost of living and the challenges in getting access to adequate and affordable housing.

Table 5: Urban and rural household growth 1987-2005

Area	Number of Households		1987-2005		% Distribution		1987-2005
	1987	2005	Total growth in households	Average annual growth in households	1987	2005	Annual Growth Rate
Urban	732,457	1,783,016	1,050,559	58,365	38.5	52.5	4.8
Rural	1,366,273	1,616,330	732,457	40,693	61.5	47.5	0.9
Total	2,098,730	3,399,346	1,300,616	72,257	100.0	100.0	2.6

Source: 3^{ème} RGPH Vol. II Tome 04: Table 2.2, p.13

Figure 6: Average household size by place of residence in 1976, 1987 and 2005



Source: 3^{ème} RGPH Vol. II Tome 01: Figure 1.4, p.16

Table 6: Urban population and average household size (2001 and 2007)

Urban area	Population		Number of households		Average household size	
	2001	2007	2001	2007	2001	2007
Yaoundé	1.349.064	1.716.309	281.055	418.612	4.8	4.1
Douala	1.501.171	1.781.516	312.744	468.820	4.8	3.8
Cities/towns with 50 000 or more inhabitants	5.383.103	9.316 257	1 098 582	1 503 871	4.9	4.2

Source: INS-ECAM II and III RGPH 2005

Table 6 shows the average household size in the two cities of Yaoundé and Douala, which dominate the urban structure and where the housing demand is greatest; and cities and towns with 50 000 or more inhabitants other in 2001 and 2007. As can be seen, the average household size in all cases has reduced; but in the case of Douala it has reduced by one person from 4.8 to 3.8 persons.

Occupancy rates

Information on the number of rooms occupied by households provides an important indicator of the level of crowding and thus the adequacy of the housing stock. Overcrowding typically correlates with urban population growth in the absence of an adequate stock and supply of housing to meet demand generated by additional households. The UN-Habitat Urban Indicators threshold for overcrowding is three or more persons per room.³⁰

The 3rd GPHC found that in 2005, 16.1% of households nationwide lived in dwellings with an occupancy rate of more than three persons per room; and that the proportion of overcrowded households in urban areas (16.7%) was slightly higher than in rural areas (15.5%). Figure 7 shows the distribution of urban households by household size and number of rooms; and that most households with four or less members live in one room dwellings.

The 2011 Demographic and Health Survey³¹ revealed that nearly a third of households (31%) have only one room to sleep-in a context where the average household size is 5 persons; with the proportion increasing to 40% in Yaoundé and Douala. These figures point to high levels of overcrowding.

Urban housing demand

From the analysis above, it is clear that Cameroon's increasing urban housing demand is being driven by the following factors: rural-migration; high natural urban population growth; new household formation; and overcrowding. It is being further fuelled by decreasing household sizes at the bottom end, a growing middle class, and substantial demand from the diaspora at the top end.³²

An evaluative study of the capacities of the public and private actors in social housing in Cameroon conducted by Groupe Huit in 2009,³³ estimated that for the next ten years, the annual housing demand will be between 14,000 and 20,000 units in Yaoundé; between 15,000 and 24,000 in Douala; and

³⁰ UN-Habitat, "Urban Indicators Guidelines: Monitoring the Habitat Agenda and the Millennium Development Goals - Slums Target," (Nairobi: United Nations Human Settlements Programme, 2009).

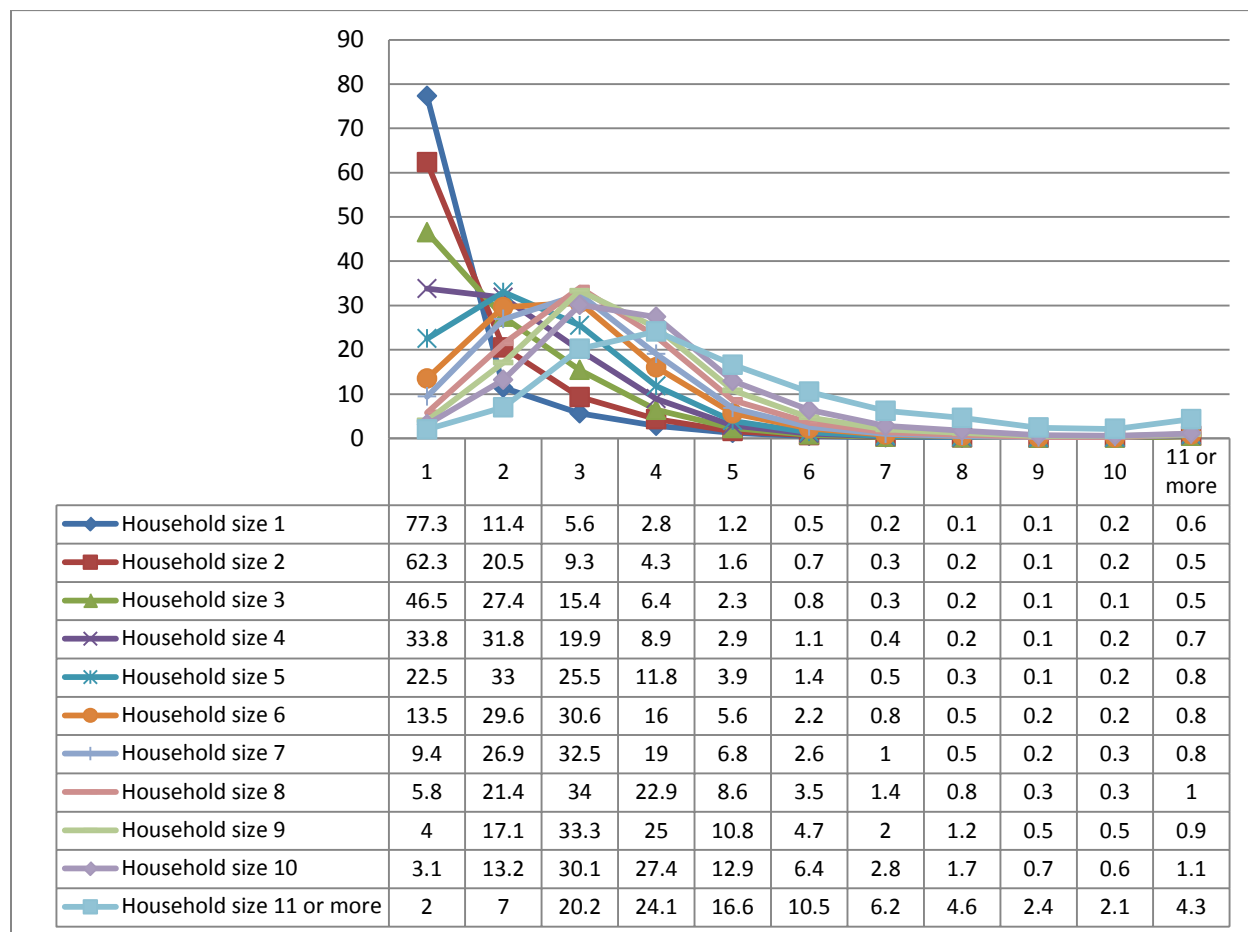
³¹ NIS and ICF International, "Enquête Démographique et de Santé et à Indicateurs Multiples du Cameroun 2011," (Calverton, Maryland, USA: Institut National de la Statistique (INS) and ICF International, 2012).

³² CAHF, "2013 Yearbook - Housing Finance in Africa: A Review of Some of Africa's Housing Finance Markets," (Parkview: Centre for Affordable Housing Finance in Africa, 2013).

³³ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun," *Rapport Diagnostic Intermédiaire - Décembre 2009* (Douala: Communauté Urbaine de Douala – MINDUH, 2009).

between 50,000 and 75,000 in cities and towns with over 50,000 inhabitants. Assuming a density of 35 dwellings per hectare,³⁴ and that 50% of new households will need to be housed, 400 hectares of land for new housing will be required in Yaoundé each year, 500 hectares in Douala; and 2,500 hectares nationally for cities with more than 50,000 inhabitants.

Figure 7: Distribution (%) of urban households by household size and number of rooms



Source: 3^{ème} RGPH RGPH Vol. II Tome 04: Table 3.24. p.77

Housing costs and affordability

Poverty levels

ECAM3 defined a poor household as one that spends less than 269,443 FCFA (US\$ 563)³⁵ per year. Each adult equivalent in a household thus spends less than 22,454 FCFA (US\$ 47) per month—or less than 738 FCFA (US\$ 1.5) per day.³⁶ This is considered the minimum required to meet an individual's basic needs, including any final consumption and consumption in kind. ECAM3 identified the main causes of poverty as: household size, education level, socio-economic grouping and access to productive assets.³⁷

³⁴ Which translates to an average plot size of 296 m².

³⁵ Exchange rate: 1 US\$ = 479 FCFA

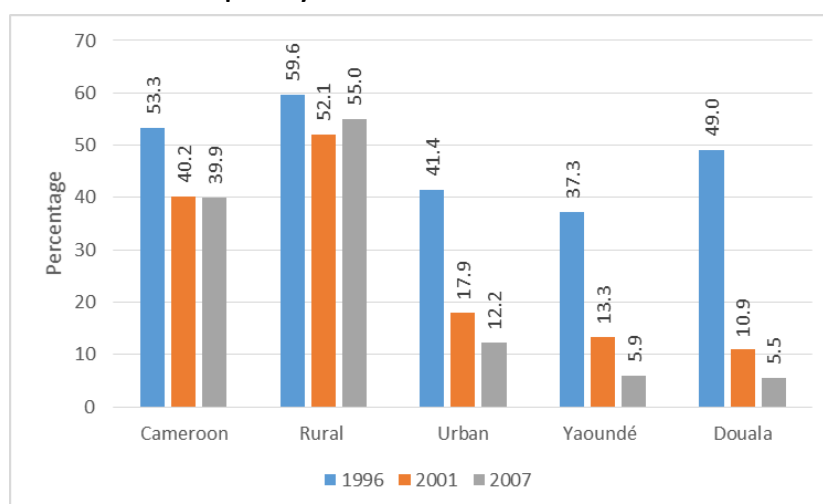
³⁶ The poverty line, which is based on Yaoundé prices, has not been updated since.

³⁷ NIS, "Conditions de Vie Des Populations et Profil de Pauvrete au Cameroun en 2007: Rapport Principal de l'ECAM3," (Yaoundé: National Institute of Statistics, 2008).

Although the level of poverty fell from 53.3% in 1996 (ECAM1) to 40.2% in 2001 (ECAM2), there has been limited progress since, with 39.9% of the population living below the poverty line in 2007 (ECAM3), as Figure 8 shows. While poverty ratios remained stable between 2001 and 2007, the annual population growth rate of 2.7% meant that the absolute number of poor people almost tripled from 6.2 million in 2001 to 17.94 million in 2007—with significant implications for housing demand and affordability.

In 1996, 59.6% of rural households lived below the poverty line compared to 41.4% of urban households; but these figures respectively reduced to 52.1% and 17.9% in 2001. In 2007, urban poverty fell further by 5.7% to 12.2%, but rural poverty increased by 3% to 55.0%. Poverty rates also reduced substantially from 37.3% in 1996 to 5.9% in 2007 in Yaoundé; and from 49.0% to 5.5% in Douala.

Figure 8: Evolution of the incidence of poverty between 1996 and 2007



Source: ECAM3. p.17³⁸

Employment

The employment situation in Cameroon is characterized by a low rate of unemployment (4.4%), in the strict sense of the term; but in its broad meaning, which better reflects the Cameroonian context, the figure is 13%. These figures do not however reflect underemployment which affects almost three out of four economically active persons.³⁹ The second national Survey on Employment and the Informal Sector (EESI 2)⁴⁰ conducted in 2010 established that the overall unemployment rate in urban areas is 8.1% compared to 1.4% in rural areas—but the level of unemployment varies according to region, area of residence, and sex and age of the household head.⁴¹ The two major cities, Yaoundé and Douala, have the highest unemployment rates—10.0% and 9.1% respectively.

³⁸ ———, "Troisième Enquête Camerounaise auprès des Ménages (ECAM3): Tendances, Profil et Déterminants de la Pauvreté au Cameroun entre 2001-2007," (Yaoundé: National Institute of Statistics, 2008).

³⁹ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020."

⁴⁰ NIS, "Second Survey on Employment and the Informal Sector in Cameroon (EESI 2): Phase 1: Survey on Employment – Main Report," (Yaoundé: National Institute of Statistics, 2011).

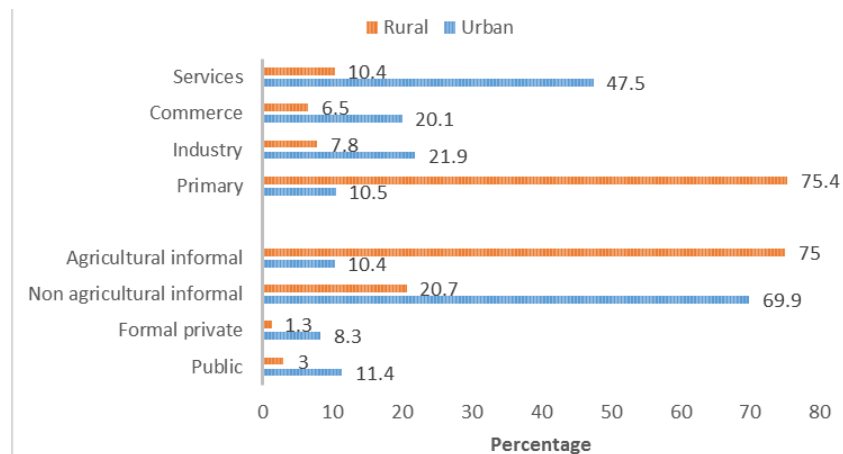
⁴¹ See Table 49 in the Annexes.

The national underemployment rate is estimated at 70.6% (6.3 million) of the total labour force. The phenomenon is more prevalent in rural (78.8%) than urban (55.7%) areas, and affects more women (78.0%) than men (63.7%).⁴² Most of those underemployed work in the informal sector.

EESI 2 found that the vast majority of the employed population (90.5%) is engaged in the informal sector, which includes both agricultural (53%) and non-agricultural (37.5%) employment, as shown in Figure 9.⁴³ Only 5.5% are employed by the public sector and an even smaller number (3.7%) by the formal private sector.⁴⁴ It is very difficult for those working in the informal sector, as well as the majority of those employed in the public sector, to access formal housing finance, for reasons explained below,

The GESP affirms that the predominance of the informal sector—in which an increasing number of Cameroonians continue to be employed—is indicative of the inefficiency of public employment policies; but also underscores the dynamism and entrepreneurship of the population.⁴⁵ However, the informal sector pays only a limited amount of direct taxes and a significant share of informal sector output is not subjected to Value Added Tax (VAT). Indeed, only 24.8% of informal sector businesses are willing to formally register, and only 38.9% are prepared to pay any taxes.⁴⁶ The Government has thus set an objective of reducing the size of the informal sector to an insignificant level by the year 2035; and is also aiming to reduce visible underemployment by 50% by 2020.⁴⁷

Figure 9: Distribution of employed persons by sector and activity, and according to the area of residence and sex



Source: EESI 2 Survey on Employment – Main Report: Table 4.8. p.48⁴⁸

⁴² NIS, "Second Survey on Employment and the Informal Sector in Cameroon (EESI 2): Phase 1: Survey on Employment – Main Report."

⁴³ In this survey, NIS defined the informal sector as all those production units which are not registered (and consequently do not have a tax number) and/or do not record their activities using formal accounting procedures.

⁴⁴ The GESP, however, acknowledges that: "the absence of regular data collection on employment makes it difficult to monitor the situation on the ground and leads to the production of scattered and hardly comparable data." (p,85)

⁴⁵ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020."

⁴⁶ Sunday Khan, "Domestic Resource Mobilization in Sub-Saharan Africa: The Case of Cameroon," (Ottawa: North-South Institute (NSI), 2010).

⁴⁷ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020."

⁴⁸ NIS, "Second Survey on Employment and the Informal Sector in Cameroon (EESI 2): Phase 1: Survey on Employment – Main Report."

Income levels

As part of its efforts to fight poverty and social inequality, the Government, in June 2008, increased the guaranteed minimum wage (SMIG) from 23,514 to 28,216 FCFA (about US\$ 49 to 59) per month in all sectors, including agriculture.⁴⁹ This followed an increase, in March 2008, of civil servants' basic salaries by 15% and housing allowance by 20%. In July 2014, the Government again increased the minimum wage to 36,270 FCFA (US\$ 76) per month; and civil service salaries by 5%.

The average and median incomes and income bracket distribution by institutional sector and urban/rural areas are shown in Table 7. EESI 2 calculated that in 2010, one in two employed Cameroonians earned 15,000 FCFA (US 31) or less a month; and that 63.2% earned less than the then minimum wage of 28,216 FCFA (US\$ 59) per month.

The average monthly household income from main sources is 83,700 FCFA (US\$ 175) at the national level; 124,800 FCFA (US\$ 261) in urban areas; and 55,600 FCFA (US\$ 116) in rural areas. As Table 8 shows, this translates to an average monthly per capita income of 18,529, 30,058 and 11,554 FCFA (US\$ 39, 63 and 24) at the national level and urban and rural areas respectively—all of which are less than the new government-set minimum wage of 36,270 FCFA (US\$ 76) per month. However, the per capita incomes for households in which the head is employed in the public sector or formal private sector—42,114 and 45,919 FCFA (US 88 and 96) respectively—are almost twice those of households in which the head works in the non-agricultural informal sector, which is 23,916 FCFA (US\$ 50).⁵⁰ Figure 10 shows the average monthly salary in the civil service between 2006 and 2012.

The national average and median monthly incomes in the informal sector, according to the EESI 2 findings, are 48,400 and 24,000 FCFA (US\$ 101 and 50) respectively; and 58,600 and 34,000 FCFA (US\$ 122 and 71) in urban areas as shown in Figure 11. The difference between the average and median monthly income underscores the substantial disparities in remuneration. EESI 2 calculated that half of those working in the informal services sector earn at most 31,000 FCFA (US\$ 65), while a similar proportion in the informal commercial and industrial sectors earn at most 26,000 FCFA (US\$ 54) and 15,000 FCFA (US\$ 31) respectively. These income levels led to the GESP affirming: *“Generally, the income generated in the informal sector does not help in poverty alleviation”*.⁵¹

Given the income levels described above, rents for formal sector housing in the major cities are not affordable to most urban households. For example, rent for a modest, not very modern studio, is over 40,000 FCFA (US\$ 84). A two-bedroom apartment costs more than 80,000 FCFA (US\$ 168) a month, while a dwelling with three or more bedrooms costs at least 150,000 FCFA (US 313). Furthermore, many landlords require ten months' rent in advance before a tenant can move in.⁵² It is therefore not surprising that so many urban households, including many with household heads working in the public sector, live in informal settlements.

⁴⁹ Decree No. 2008/2115/PM of 25th June 2008.

⁵⁰ NIS, "Second Survey on Employment and the Informal Sector in Cameroon (EESI 2): Phase 2: Informal Sector Survey – Main Report," (Yaoundé: National Institute of Statistics, 2011); CAHF, "2013 Yearbook - Housing Finance in Africa: A Review of Some of Africa's Housing Finance Markets."

⁵¹ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020," p.45

⁵² See, for example, the Koutchoumi Real Estate: <http://koutchoumi.com>

Table 7: Average, median and income bracket distribution by institutional sector and urban/rural areas⁵³

	Public administration	Public enterprise	Formal private	Non-agricultural informal	Agricultural informal	Urban	Rural	Overall
Average Income (FCFA)	145,400	142,200	129,300	50,500	13,800	70,400	23,400	39,400
Median Income (FCFA)	130,000	120,000	80,000	30,000	600	37,700	3,600	15,000
Income bracket (FCFA)	Distribution (%)							
0 – 28 500	12.0	10.0	12.4	46.9	84.0	38.1	76.2	63.2
28,500 – 47,000	4.6	10.8	14.2	20.3	7.6	17.6	9.8	12.5
47,000 – 94,000	13.4	23.7	30.0	19.5	5.9	21.0	8.0	12.4
94,000 – 188,000	40.4	25.5	24.3	9.1	1.9	14.1	4.1	7.5
188,000 – 376,000	27.6	24.3	11.4	3.1	0.6	7.3	1.5	3.5
376,000 - and more	2.0	5.7	7.7	1.1	0.1	1.9	0.3	0.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

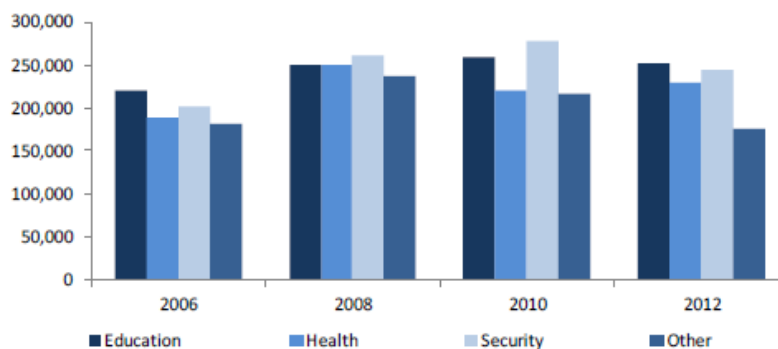
Source: EESI 2 Survey on Employment – Main Report: Table 6.2. p.78

Table 8: Average household income by area of residence and institutional sector of the household head

Region	Institutional sector of household head					Overall
	Public	Formal private	Non-agricultural informal	Agricultural informal	Unemployed or inactive	
Urban						
Average household income	217,900	212,300	100,100	63,400	80,100	124,800
Average household size	4.7	4.2	3.7	4.9	5.7	4.2
Per capita income in FCFA	46,513	50,870	26,849	12,864	14,124	30,058
Rural						
Average household income	154,900	122,800	80,500	38,100	40,300	55,600
Average household size	4.6	4.3	4.2	4.9	5.7	4.8
Per capita income in	33,388	28,447	19,233	7,705	7,098	11,654
Overall						
Average household income	196,600	193,100	93,100	39,900	64,000	83,700
Average household size	4.7	4.2	3.9	4.9	5.7	4.5
Per capita income in CFAF	42,114	45,919	23,916	8,073	11,271	18,529

Source: EESI 2 Survey on Employment – Main Report: Table 4.9. p.59

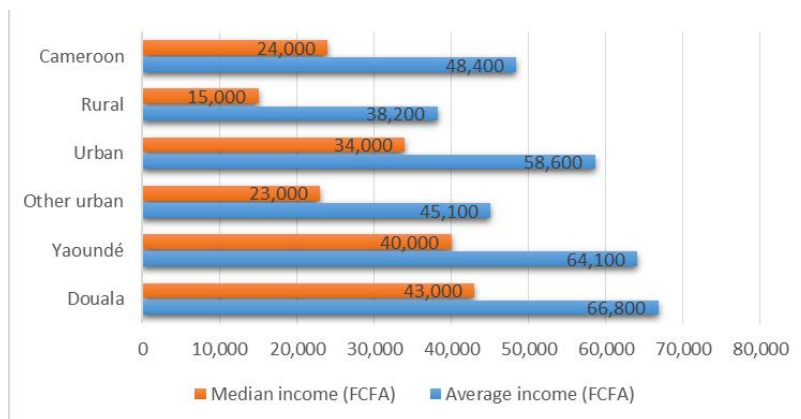
Figure 10: Average Monthly Salary in the Civil Service, 2006-12



Source: IMF, 2014, p.51.⁵⁴

⁵³ See also Figure 9 and Figure 10 in the Annexes.

Figure 11: Average and median income in the informal sector according to place of residence



Source: EESI 2 Informal Sector Survey – Main Report: Table 2.11. p.29⁵⁵

Migration and Remittances

Cameroon has a long internal migration history and currently one of the highest internal rates in the Central African region. In addition, recent conflicts in the region have led to rising immigration of refugees. As a result, in 2010, there were an estimated 196,600 immigrants, accounting for 1.0% of the total population. At the same time, the country also has a high rate of international migration. In 2010, there were an estimated 279,200 emigrants (1.4% of the total population), with the top destination countries in the North being France, Germany, Italy, Spain, the United Kingdom and the United States; and the top destination countries in the South being Central African Republic Chad, Gabon and Nigeria.⁵⁶

Internal migration, immigration and emigration have a significant impact on the housing situation. Internal and external immigrants are increasing the demand for urban housing, and have contributed to the development and expansion of informal settlements.⁵⁷ On the other hand, Cameroonian migrant workers, especially in the North, generally increase their income substantially, enabling them to send remittances to support their families and also invest in their homeland, including in housing.⁵⁸

Table 9 shows remittances from emigrants from 2003 to 2010. The significance of remittances to households is much higher in South-North migration than in South-South migration. In this regard, a study on the impact of migration in Cameroon found that South-South migration has an insignificant impact on savings; but North–South migration impacts significantly on return households, with households of North–South absent or return migrants saving 40,393 FCFA (US\$ 84) more than those without migrants.⁵⁹ Another study on return migrants to Yaoundé found that 40.0% invested in acquiring land or a residential house while still abroad, and 24.6% did the same on their return.⁶⁰

⁵⁴ IMF, "Cameroon: Selected Issues," *IMF Country Report No. 14/213* (Washington, DC: International Monetary Fund, 2014).

⁵⁵ NIS, "Second Survey on Employment and the Informal Sector in Cameroon (EESI 2): Phase 2: Informal Sector Survey – Main Report."

⁵⁶ World Bank, "Migration And Remittances Factbook 2011," *2nd Edition* (Washington, DC: World Bank, 2011).

⁵⁷ Dominique Meva'a Abomo et al., "Internal migration in Cameroon: Constraint for or driver of urban and health development?," (Brussels: ACP Observatory on Migration, 2013).

⁵⁸ Younoussi Zourkaleini et al., "Shedding Light on the South: Migrant Profiles and the Impact of Migration on Human Development in Cameroon " *Research Report ACPOBS/2013/PUB12* (Brussels: ACP Observatory on Migration, 2013).

⁵⁹ Ibid.

⁶⁰ De syg Kouassi Seke and Habibou Ouedraogo, "Migrants de Retour A Yaoundé: Caractéristiques, Motivations de Retour et Impacts Économiques de leur Retour au Développement de Yaoundé " in *Les Migrations Africaines*, ed. Mohamed Saïb

The rapidly growing number of formal money transfer offices, particularly in Yaoundé and Douala, is evidence of the increase in the inflow of remittances. Although reinvesting money back home often poses challenges for Cameroonians living and working abroad, their remittances have significantly improved housing, health and educational standards.⁶¹

Table 9: Remittances (US\$ millions)

	2003	2004	2005	2006	2007	2008	2009	2010
Inward remittance flows	76	103	77	130	167	162	148	148
<i>of which</i>								
Workers' remittances	61	98	67	118	152	129	129	—
Compensation of employees	15	5	10	12	15	15	18	—

Source: Migration And Remittances Factbook 2011, p.85⁶²

Household expenditure and savings potential

Household consumption expenditure is a good measure of standard of living and ability to pay for housing. Table 10 and Table 11 respectively show the average annual and monthly household consumption expenditure in Yaoundé, Douala and urban areas as a whole, as presented in the study by Groupe Huit.⁶³ The study estimates that only 15% of households in Yaoundé and 5% in Douala have an average monthly consumption expenditure of more than 350,000 FCFA (US\$ 731). This is the level that is required if a household is to accumulate 10 million FCFA (US\$ 20,877) by saving 25% of its monthly consumption expenditure over 10 years. The study found that, in total, over 90% of households in the two major cities have an average monthly consumption expenditure of less than 350,000 FCFA per month; of which, on average, one-sixth (17%) is spent on housing costs (rent, water, electricity).⁶⁴ This means that over 90% of households in Yaoundé and Douala spent, on average, 59,500 FCFA (about US\$ 124) or less on housing costs.

Table 10: Average annual household consumption expenditure by quintile

Place of residence	Household consumption expenditure by quintile (FCFA)				
	1	2	3	4	5
Yaoundé	1,666,000	2,041,000	2,017,000	2,601,000	3,842,000
Douala	1,508,000	1,923,000	2,104,000	2,102,000	3,275,000
Urban	1,253,000	1,654,000	2,001,000	2,188,000	3,089,000

Source: INS-ECAM 2007 in Groupe Huit, 2009

Table 11: Average monthly household consumption expenditure by quintile

Place of residence	Household consumption expenditure by quintile (FCFA)				
	1	2	3	4	5
Yaoundé	139,000	170,000	168,000	217,000	320,000
Douala	126,000	160,000	175,000	175,000	273,000
Urban	104,000	138,000	167,000	182,000	257,000

Musette, Saïd Souam, and André Bourgeot (Algiers: Centre de Recherche en Économie Appliquée pour le Développement (CREAD), 2012).

⁶¹ Shirley Ardener, "Microcredit, money transfers, women, and the Cameroon diaspora," *Afrika Focus* 23, no. 2 (2010).

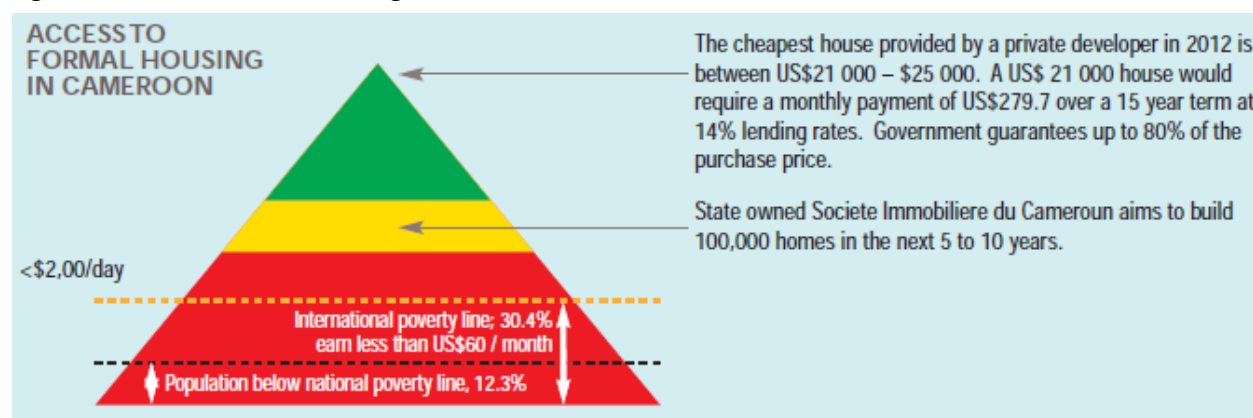
⁶² World Bank, "Migration And Remittances Factbook 2011."

⁶³ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

⁶⁴ Ibid.

A household that regularly saves the equivalent of 35% of its total monthly consumption expenditure capacity, which is the standard maximum allowed by formal sector financial institutions, would need to have a monthly of 300,000 FCFA (US\$ 626) to accumulate savings of 12.5 million FCFA (US\$ 26,000) over 10 years. However, according to the city of residence, only 5% to 10% of urban households have this income. If lower income households are to achieve this level of savings, they would have to save regularly for much more than 10 years; and/ or receive a contribution (gift, inheritance); and / or increase their savings rate; and/or reduce their consumption expenditure—which very few households would be able to do. Thus only a minority of households have access to formal housing as illustrated by the Centre for Affordable Housing Finance in Africa (CAHF) pyramid shown in Figure 12.

Figure 12: Access to formal housing in Cameroon



Source: CAHF 2012⁶⁵

Only about one in four households (27.4%) nationwide have any savings, as shown in Table 12. As would be expected, fewer poor households (27.4%) have savings than non-poor households (32.4%); and more urban households (36.9%) have savings than do rural households (21.8%). In 2007, only 5.5% of poor households had at least one member who had satisfied a credit application, compared with 15.1% of non-poor households nationwide.

An African Development Bank (AfDB) study of the middle class in Africa⁶⁶ defines middle class as those with a daily consumption of US\$2-20 in 2005 PPP US dollars. It further distinguishes between three sub-categories of the middle class: (i) “floating class”: US\$ 2-4 per day—who are vulnerable to slipping back into poverty in the event of exogenous shocks; (ii) “lower-middle” class: US\$4-10 per day—who are able to save and consume non-essential goods; and (iii) “upper middle class”: US\$10-20 per day. In Cameroon, 39.2% of the population were classified middle class, with the three sub-categories accounting for 23.1%, 8.6% and 7.5% respectively. The middle-class are generally better educated; have salaried jobs or small businesses; have smaller household sizes; and live in bigger, more permanent houses. Many middle income households engage in informal sector activities to diversify their income sources and accumulate capital.⁶⁷

⁶⁵ CAHF, "2012 Yearbook - Housing Finance in Africa: A Review of Some of Africa's Housing Finance Markets," (Parkview: Centre for Affordable Housing Finance in Africa, 2012).

⁶⁶ AfDB, "The Middle of the Pyramid: Dynamics of the Middle Class in Africa," *Market Brief April 20, 2011* (Tunisia: African Development Bank, 2011).

⁶⁷ Nathanael Ojong, "Livelihood Strategies in African Cities: The Case of Residents in Bamenda, Cameroon," *African Review of Economics and Finance* 3, no. 1 (2011).

Table 12: Proportion (%) of households with savings and that have accessed credit

	SAVINGS			CREDIT					
	Percentage of households with savings			Percentage of households in which a member has applied for and been denied credit for business			Percentage of households that have requested and obtained credit		
Regions	Poor	Non-poor	Total	Poor	Non-poor	Total	Poor	Non-poor	Total
Rural	21.8	27.1	21.8	3.5	4.4	6.2	5.5	14.4	27.1
Urban	36.9	38.1	36.9	4.6	3.2	5.8	5.6	21.9	38.1
Yaoundé	48.7	49.3	48.7	5.4	1.3	5.3	5.2	32.2	49.3
Douala	31.8	32.1	31.8	3.3	4.5	3.8	3.8	20.3	32.1
Cameroon	27.4	32.4	27.4	3.9	4.3	6.0	5.5	15.1	32.4

Source:

As most households cannot afford the cost of formal housing, or get access to housing finance as explained below, they instead build their own, self-financed houses incrementally, as described below..

B. Current Housing Stock

The housing stock in Cameroon has been, and is being, built by government agencies, private developers, public private partnerships (which the Government is using in its effort to build social housing countrywide), the informal sector and though self-construction. The quality of the housing stock varies considerably across the country, and between rural and urban areas, as explained below.

Housing typologies

The 3rd GPHC, like the two before it, collected data and information on the housing stock and living conditions of both rural and urban dwellers in the country's ten administrative districts.⁶⁸ The analytical report on housing characteristics and living conditions⁶⁹ categorizes the housing stock into five typologies, which are defined, together with other key concepts, in Box 3. Table 13 summarizes the characteristics of the various housing typologies, as articulated by Boniface et al.⁷⁰

Figure 13 shows the distribution of households by the different housing typologies as counted during the three censuses.⁷¹ As can be seen, the proportion of urban households living in multi-dwelling units has remained relatively constant—25.3%; 29.7% and 28.8% respectively in 1976, 1987 and 2005. However, the proportion of households living in detached houses in urban areas countrywide decreased by 11.6% from 46.6% in 1976 to 35.0% in 2005, while the proportion of urban households living in flats and apartment buildings gradually increased from 1.0% in 1976 to 2.2% in 1987 to 5.0% in 2005. This is explained largely by the fact that the stock of flats and apartments has increased, and they generally cost less to rent or purchase than a detached house. In 2005, 6.2% and 4.4% of households in Douala and Yaoundé respectively lived in a flat or apartment.

⁶⁸ The data and information on the housing stock has included housing typologies and construction materials. while that on living conditions has included number of rooms/bedrooms and occupancy rates; and access to basic infrastructure and services (potable/drinking water; toilet facilities; energy sources for lighting and cooking; waste water disposal; sewerage; and garbage/refuse disposal).

⁶⁹ BUCREP, "3^e RGPH Volume II - Tome 05: Caractéristiques de l'Habitat et Cadre de vie des Populations," (Yaoundé: Bureau Central des Recensements et des Etudes de Population (BUCREP), 2012).

⁷⁰ Efon Boniface, Ntamack Denis, and Tamo Tatietsé Thomas, "Housing typology in the forecast of demand for drinking water in developing country towns and cities: Application to Yaoundé, Cameroon," *International Journal of Water Resources and Environmental Engineering* 5, no. 4 (2013).

⁷¹ See also Table 59 in Annexes. See Table 60 for distribution of households by housing typology and household size

Box 3: Definition of concepts used in the Third General Population and Housing Census⁷²

Household: a person or group of persons, related or not, living in the same dwelling unit; usually taking their meals together; supporting each other to meet basic needs; and generally recognizing the authority of a “household head”.

Housing: A room or set of rooms that can serve as home to a household.

Dwelling unit: Any premises used by a household for housing; which may be located in a single building, part of a building, or in a complex of buildings close to each other.

Concession: A dwelling unit formed by one or more groups of buildings, fenced or unfenced, in which one or more households live. A saré is a form of concession.

Housing structure: A detached building or group of buildings housing a single person or one or more groups of people. Five housing structure typologies are distinguished:

1. Detached house: a house that is not attached to any other building.
2. Modern villa: a detached house built with permanent materials and having various status features (fence, garden, etc.).
3. Multi-dwelling unit: a single storey building divided into several independent dwelling units.
4. Flats/apartment building: a two or more storey building that comprises several flats/apartments.
5. Concession / saré: a group of buildings / housing structures constituting one or more dwelling units.

Table 13: Housing typology characteristics

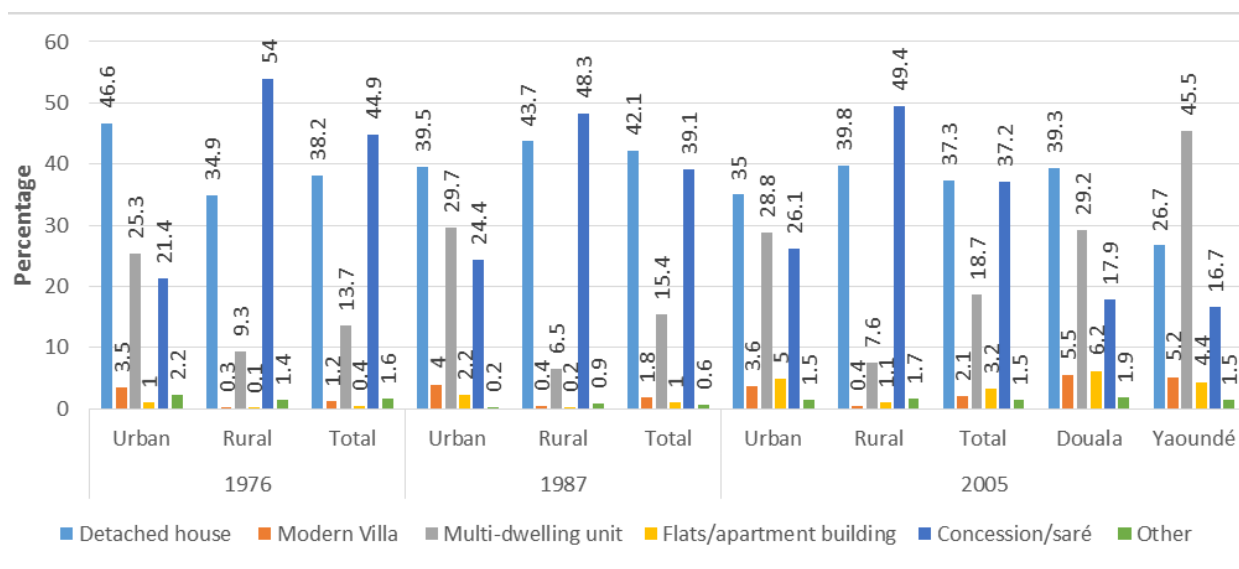
Parameter	High quality housing	Average quality housing	Spontaneous housing	Peripheral spontaneous housing
Housing typology	<ul style="list-style-type: none"> ▪ Detached house ▪ Modern Villa ▪ Flats/apartment buildings 	<ul style="list-style-type: none"> ▪ Detached house ▪ Modern Villa ▪ Flats/apartment building ▪ Multi-dwelling unit ▪ Concession / saré 	<ul style="list-style-type: none"> ▪ Detached house ▪ Multi-dwelling unit ▪ Concession / saré 	<ul style="list-style-type: none"> ▪ Detached house ▪ Multi-dwelling unit ▪ Concession / saré
Construction materials	<ul style="list-style-type: none"> ▪ Durable 	<ul style="list-style-type: none"> ▪ Durable ▪ Semi durable 	<ul style="list-style-type: none"> ▪ Durable ▪ Semi durable ▪ Precarious 	<ul style="list-style-type: none"> ▪ Semi durable ▪ Precarious
Water Supply	<ul style="list-style-type: none"> ▪ Interior taps ▪ Mineral water ▪ Borehole 	<ul style="list-style-type: none"> ▪ All kinds of water supply 	<ul style="list-style-type: none"> ▪ All kinds of water supply 	<ul style="list-style-type: none"> ▪ All kinds of water supply
Sanitation	<ul style="list-style-type: none"> ▪ Internal WC with flush 	<ul style="list-style-type: none"> ▪ Internal WC with flush ▪ External WC with flush ▪ Communal WC with flush ▪ Private latrine ▪ Common latrine 	<ul style="list-style-type: none"> ▪ Internal WC with flush ▪ Private latrine ▪ Common latrine ▪ Nature 	<ul style="list-style-type: none"> ▪ Private latrine ▪ Common latrine ▪ Nature
Waste disposal	<ul style="list-style-type: none"> ▪ Septic tank 	<ul style="list-style-type: none"> ▪ All kinds of waste disposal 	<ul style="list-style-type: none"> ▪ All kinds of waste disposal 	<ul style="list-style-type: none"> ▪ All kinds of waste disposal
Cooking energy	<ul style="list-style-type: none"> ▪ Electricity ▪ Gas 	<ul style="list-style-type: none"> ▪ All kinds of energy 	<ul style="list-style-type: none"> ▪ All kinds of energy 	<ul style="list-style-type: none"> ▪ All kinds of energy
Lighting source	<ul style="list-style-type: none"> ▪ Electricity 	<ul style="list-style-type: none"> ▪ Electricity ▪ Gas ▪ Petrol 	<ul style="list-style-type: none"> ▪ All forms of lighting 	<ul style="list-style-type: none"> ▪ All forms of lighting

Source: After Boniface et al., 2003, p.228⁷³

⁷² BUCREP, "3^e RGPH Volume II - Tome 05: Caractéristiques de l'Habitat et Cadre de vie des Populations."

⁷³ Boniface, Denis, and Thomas, "Housing typology in the forecast of demand for drinking water in developing country towns and cities: Application to Yaoundé, Cameroon."

Figure 13: Distribution (%) of households by housing typology



Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.2. p.23

Tenure

The 3rd GPHC conducted in 2005 counted fewer households nationwide (65%) living in homes that they owned than in 1987 (74%). In 2005, the vast majority of rural households (84.9%) lived in dwellings that they own compared to 47.0% in urban areas. Table 14 shows the distribution of households by housing typology and tenure. In 2005, almost one in two urban households living in detached houses were owners and 20.9% tenants; while 43.0% of households living in multi-dwelling units were tenants. Of the households living in a concession or saré, 28.2% were owners and 24.3% tenants.

Most households in which the head works in the public, private or non-agricultural informal sectors (58.7%, 54.0% and 49.2% respectively) are tenants, as shown in Figure 14. In contrast, nine in ten retired household heads live in homes that they own, with 40% of them having titles and 50.1% not having title. This is explained by the fact that many Cameroonians who are employed in the public or private sector, will live in a rented home in an urban area during their working life, while building a house incrementally over several years in their home rural area to which they will retire.

Housing stock characteristics

The quality of the housing stock in Cameroon has, overall, improved over the three census periods if measured by the building materials used in construction of the main elements of the superstructure— walls (Figure 15), floor (Figure 16) and roof (Figure 17).⁷⁴ The 3rd GPHC found that in both Yaoundé and Douala, most houses (65.4% and 57.9% respectively) have walls built of concrete/ concrete blocks/ fired bricks; cement floors (80.6% and 80.4% respectively); and are roofed with sheet material, mostly galvanised corrugated iron (GCI) sheets (97.0% and 97.3% respectively). The quality of the housing stock in urban areas is substantially better than that in rural areas in all respects as the figures also show.

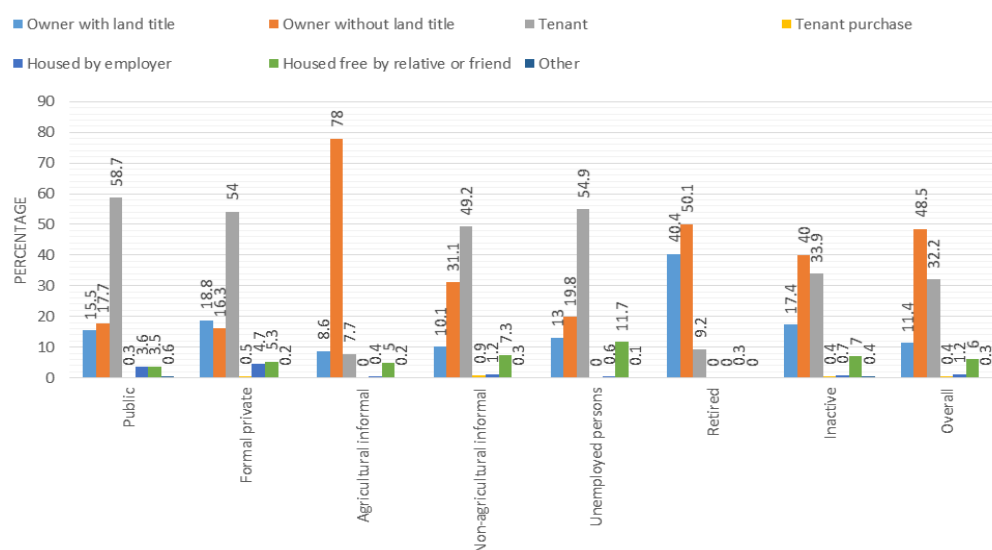
⁷⁴ See also Table 51, Table 52 and Table 53.

Table 14: Distribution (%) of households by housing typology and tenure

Housing structure type	Owner	Rental	Tenant purchase	Housed by employer	Housed by parents/friends	Other
Urban						
Detached house	48.5	20.9	29.9	31.6	35.8	41.1
Modern Villa	4.5	2.5	10.4	8.6	2.9	3.9
Multi-dwelling unit	15.3	43.0	29.1	32.0	26.8	21.4
Flats/apartment building	2.2	8.0	3.8	9.6	3.4	4.9
Concession/Saré	28.2	24.2	25.6	13.7	29.6	21.1
Other	1.3	1.4	1.2	4.5	1.5	7.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Rural						
Detached house	39.8	37.2	38.6	32.2	47	40.3
Modern Villa	0.3	0.8	0.8	2.6	0.8	0.9
Multi-dwelling unit	5	27.8	9.6	38.1	10.3	12.2
Flats/apartment building	0.5	6.7	3	6.7	1.5	1.7
Concession/Saré	52.8	24.9	44.6	18.5	39.1	38
Other	1.6	2.6	3.4	1.9	1.3	6.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total						
Detached house	43.1	22.7	33.9	31.9	41.5	40.6
Modern Villa	1.9	2.3	6.0	5.5	1.8	2.0
Multi-dwelling unit	8.9	41.3	20.1	35.1	18.4	15.5
Flats/apartment building	1.1	7.9	3.4	8.1	2.4	2.9
Concession/Saré	43.5	24.3	34.4	16.2	34.5	31.9
Other	1.5	1.5	2.2	3.2	1.4	7.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.8. p.29

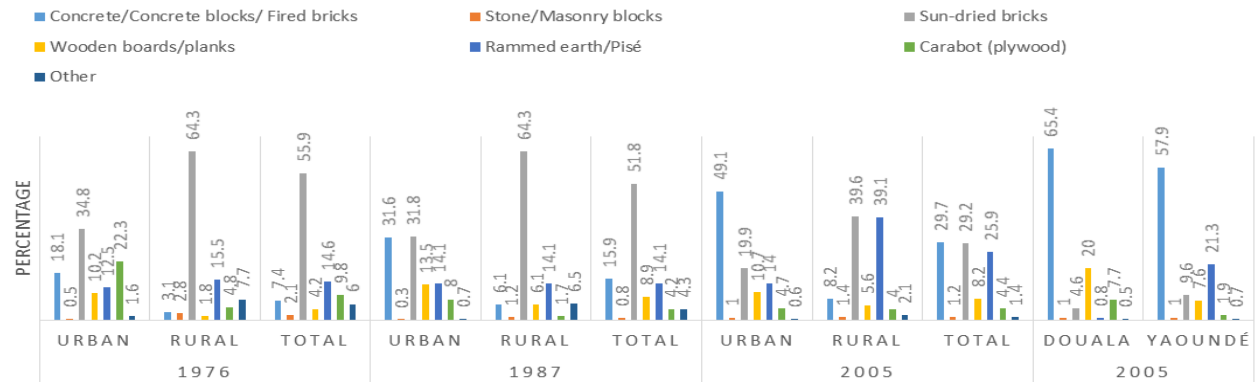
Figure 14: Tenure status by employment sector of household head



Source: EESI2. Phase 1: Table 3.2. p.33⁷⁵

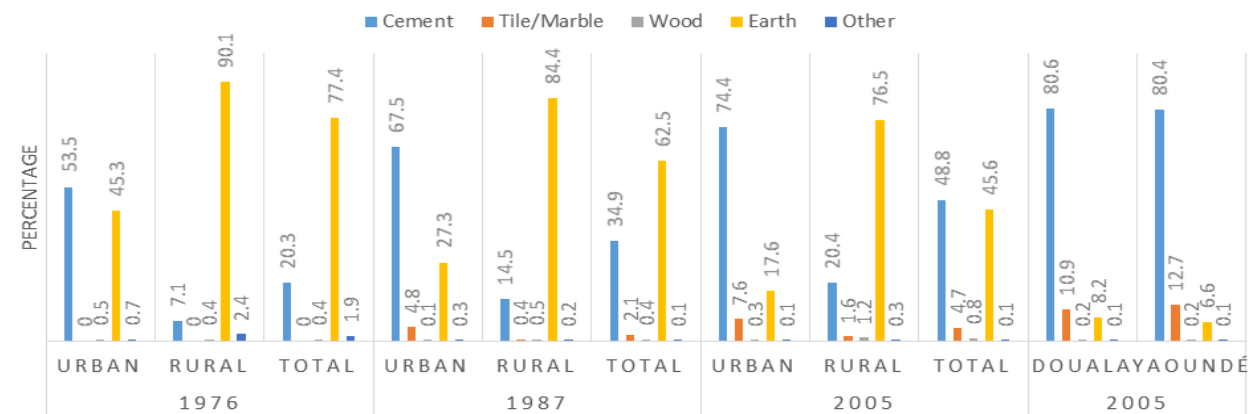
⁷⁵ NIS, "Second Survey on Employment and the Informal Sector in Cameroon (EESI 2): Phase 1: Survey on Employment – Main Report."

Figure 15: Distribution of households by type of wall material between 1976 and 2005



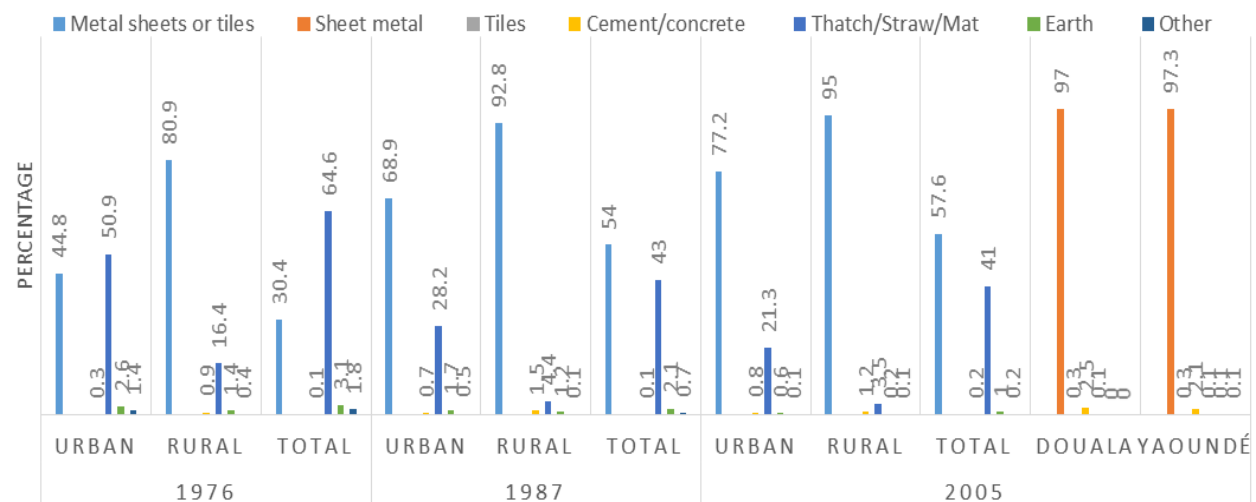
Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.10. p.33

Figure 16: Distribution (%) of households by type of floor material



Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.16. p. 44

Figure 17: Distribution (%) of households by type of roof material



Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.13. p.39

Table 15 Settlement typologies and housing characteristics in Yaoundé

Settlement typologies	Sub types	Major characteristics
Planned/Formal settlement 20% of the urban space and accommodating 30% of the urban population	Wealthy residential neighbourhoods	Recently developed areas; low population density; decent individual houses; connections to trunk infrastructure (water, drainage, electricity, roads, telecommunications).
	Housing estates	Old and less dense areas; housing comprises apartment blocks; connections to trunk infrastructure.
	Communal plots	Old areas (pre-1970); high population density, uncomfortable individual houses; limited connections to trunk infrastructure.
Slums/ Informal settlements 80% of the urban space; home to about 70% of the city dwellers	Semi rural neighbourhoods	Neighbourhoods developed on peri-urban land; very low population density; individual houses built with wood/earth/cardboard; neither planned nor serviced.
	Peri urban fringes neighbourhoods	Recently built settlements; less-dense; limited connections to trunk infrastructure.
	Sub-central spontaneous neighbourhoods	Old neighbourhoods developed near the city centre; very high population density; old building, most out which are out of use. Poor access to water supply and to sanitation facilities; but easy geographical access to schools and health care services
	Central spontaneous neighbourhoods	

Source: After Yongsi⁷⁶

Urban housing settlement/neighbourhood typologies

The urban housing stock in Cameroon is distributed across a range of settlement typologies, the main characteristics of which are described summarily in Table 15.

Access to basic infrastructure and services

The Habitat Agenda, which has partly shaped Cameroon’s housing policy as explained above, defines “adequate housing” as “more than a roof over one’s head. It also means adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water-supply, sanitation and waste-management facilities; suitable environmental quality and health-related factors; and adequate and accessible location with regard to work and basic facilities: all of which should be available at an affordable cost.”⁷⁷

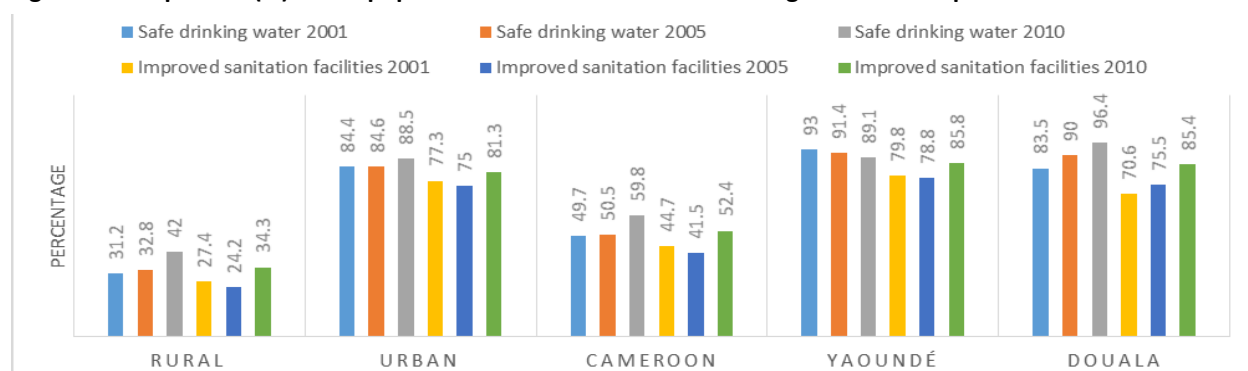
Access to safe water

Access to safe water generally improved modestly in the decade 2001 to 2010, as evidenced by the findings of various surveys (ECAM2, EESI1 and EESI2), and illustrated in Figure 18. In 2001, 49.7% of the population has access, increasing to 50.5% in 2005, and 50.8% in 2010. The comparative figures for rural areas were 31.2%, 32.8 and 42.0%; and 84.4%, 84.6% and 88.5% for urban areas—meaning that in 2010 the proportion of urban households with access to safe water was almost twice that of rural households—meaning that in 2010, the proportion of the urban households with access to safe water was twice that of rural households. In Yaoundé and Douala, 89.1% and 96.4% of the population had access to safe drinking water in 2010.

⁷⁶ H.B. Nguendo Yongsi, "Human Settlement, Land Management and Health in Sub Saharan Cities," *World Academy of Science, Engineering and Technology* 3, no. 9 (2009).

⁷⁷ *The Habitat Agenda* (paragraph 60).

Figure 18: Proportion (%) of the population with access to safe drinking water and improved sanitation facilities



Source: INS, ECAM2, EESI1, & EESI2, cited in MDG National Report, 2012, p.34, p.35

Sanitation

Access to improved sanitation also overall improved modestly in the decade 2001 to 2010, as evidenced by the surveys cited above, and shown in Figure 18. In 2001, 44.7% of the population had access to an improved sanitation facility, decreasing to 41.5% in 2005, and then increasing to 52.4% in 2010. The comparative figures for both rural and urban populations followed a similar pattern—27.4%, 24.2% and 34.3% respectively for the former; and 77.3%, 75.0% and 81.3% respectively for the latter. Similarly to the case of access to safe water, the proportion of the urban population (81.3%) with access to an improved sanitation facility in 2010 was more than double that in rural areas (34.3%).

However, according to a Water Partnership Program (WPP) briefing note,⁷⁸ access to sanitation fell from 61% in 2000 to 58% in 2010. The WPP briefing note further observes that, while rates of access to drinking water and improved sanitation are higher than average for SSA, progress has been imbalanced, with a larger proportion of the urban population having access than the rural. This is taking place as urbanization continues to increase and an estimated 75% of urban dwellers live in informal settlements.

In June 2011, following a request from the Government, the World Bank approved financial support for the implementation of the sanitation strategy through a project that aims to directly and indirectly benefit two million people, nearly 25% of whom will receive improved household sanitation facilities. The project comprises three components: (i) urban sanitation;⁷⁹ (ii) rural sanitation; and (iii) institutional strengthening and project management.⁸⁰

Energy sources

A comparison of the results of the three censuses shows substantial changes in the main energy sources for household lighting, as illustrated in Figure 19.⁸¹ The proportion of households using kerosene/paraffin nationwide reduced from 78.7% in 1976 to 16.2% in 2005; while, conversely, the proportion of households using electricity increased drastically from 5.9% in 1976 to 50.2% in 2005. The proportion of urban households using electricity as their main source of energy for lighting similarly increased fourfold from 19.2% in 1976 to 80.7% in 2005. This is largely the result of increases in electricity generation capacity and expansion of urban electricity distribution networks.

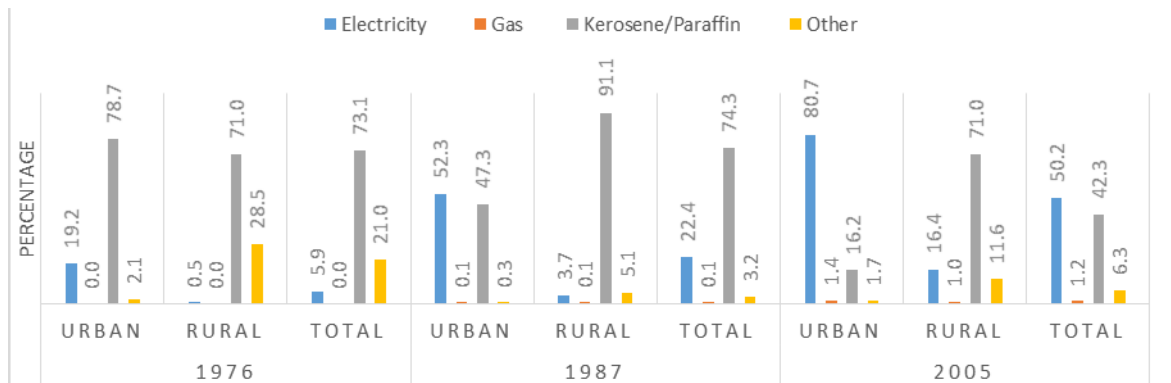
⁷⁸ Ginneken, Drozd, and Vargas-Ramirez, "Briefing Note: Towards Progress on Sanitation: The Case of Cameroon."

⁷⁹ The urban sanitation component is supporting at-scale pilot projects in Douala that integrate sanitation marketing and hygiene promotion.

⁸⁰ Ginneken, Drozd, and Vargas-Ramirez, "Briefing Note: Towards Progress on Sanitation: The Case of Cameroon."

⁸¹ See also Table 54 in the Annexes.

Figure 19: Distribution (%) of households by energy source for lighting and place of residence

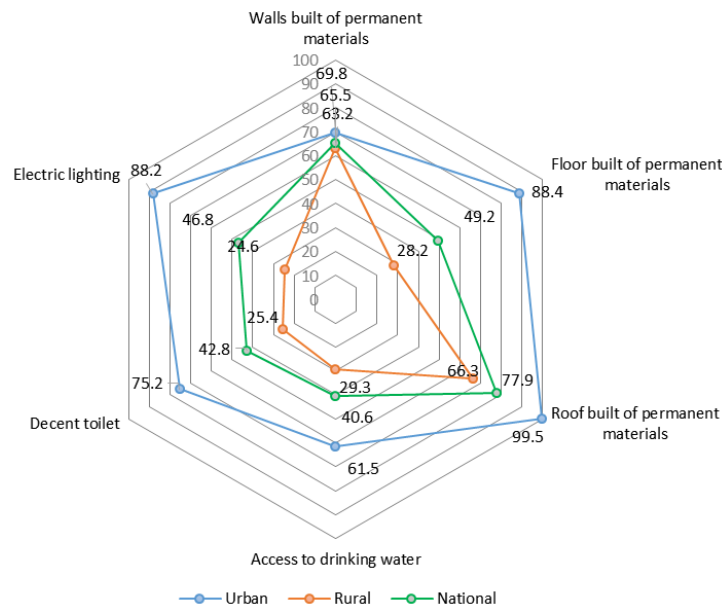


Source: 3^{ème} RGPH Vol. II - Tome 05: Table 3.2. p.49

Overall living conditions

In general, there was an improvement in living conditions—if measured by the quality of housing structures and access to basic infrastructure—between 2001 and 2007/2010, albeit with differentials between urban and rural areas, as illustrated by Figure 20 and Figure 21. At the national level, both urban and rural households generally live in better quality housing and have better access to basic infrastructure services—water, sanitation and electricity. Access to these basic services contributes not only to better living conditions, but also to better health and provides income generating opportunities. However, these improvements have mainly benefitted urban households, because, as the indicators show, living conditions for many households in rural areas have deteriorated.

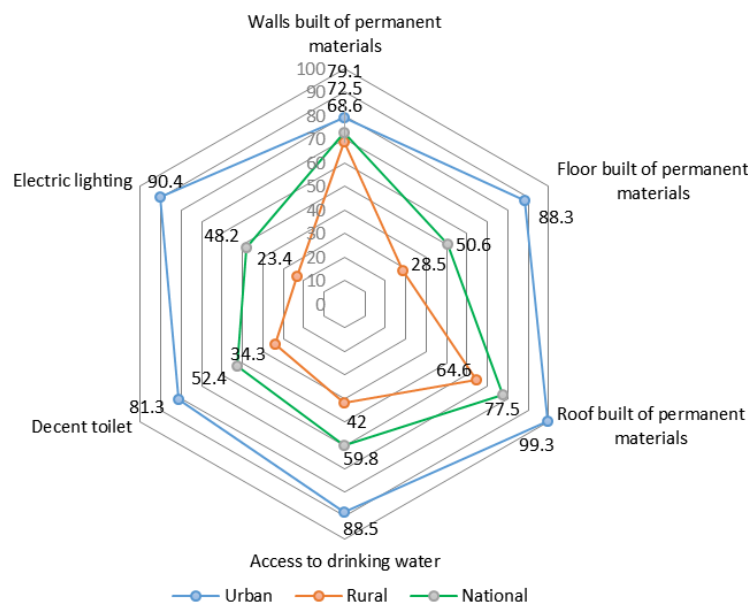
Figure 20: Living conditions polygon (2001)



Source: NIS. ECAM3, p.20⁸²;

⁸² NIS, "Troisième Enquête Camerounaise auprès des Ménages (ECAM3): Tendances, Profil et Déterminants de la Pauvreté au Cameroun entre 2001-2007."

Figure 21: Living conditions polygon (2007, 2010)



Source: NIS. ECAM3, p.20⁸³; and MDG Report 2012.⁸⁴

Urban Sector Development and Water Supply project

The World Bank-funded Urban Sector Development and Water Supply project (PDUE), launched in 2007 and summarily described in Box 4, aims to increase access of the urban population, in particular those living in low-income settlements, to basic infrastructure and services, including water supply and improved sanitation. The target cities are Yaoundé, Douala, Bamenda, Maroua and Mbalmayo. The project was supposed to have been implemented over a five year period; but owing to delays in the project start-up and challenges faced in procurement, the project duration was extended by one-and-a-half years and is now scheduled to end on 31 August 2014.⁸⁵

Two interesting observations from project implementation to date are:

- (i) Community participation is significantly higher in the cities and towns in the Anglophone regions than in the Francophone regions. This can possibly be explained by the colonial legacy whereby low income populations in the latter region expect the State to intervene and provide services.
- (ii) The provision of infrastructure services—particularly the construction of access roads—has stimulated improvement of existing housing structures and development of new, better quality housing. This has not, however, led to significant displacement of existing residents, as most are willing and able to pay for the improved access to services and better quality housing.⁸⁶

⁸³ Ibid.

⁸⁴ Republic of Cameroon, "Rapport National de Progres des Objectifs du Millenaire pour le Developpement: Année 2012," (Yaoundé: Ministère de l'Économie, de la Planification et de l'Aménagement du Territoire, 2012).

⁸⁵ There is however a possibility of a further extension owing to the challenges that the project has continued to face, according to Patrice Rakotoniaina, Municipal Engineer at The World Bank, World Bank, Cameroon Country Office.

⁸⁶ Interview with the PDUE Project Coordinator, Mde Anne Marie Essono, on 14 May 2014.

Box 4: Urban Sector Development and Water Supply Project

The objective of the World Bank-funded Urban Sector Development and Water Supply Project (PDUE), launched in 2007, is to support the Cameroonian Government to increase access of the urban population, in particular those living in low-income settlements, to basic infrastructure and services, including water supply. To this end, the project is (i) assisting the various urban development stakeholders in the preparation and implementation of tools and investments designed to increase access to services to as large a number of beneficiaries as possible; and (ii) supporting and facilitating the implementation of the public-private partnership (PPP) in the provision of urban water services. The project comprises three components:

Component 1—Capacity building and support to decentralization: aims to build urban management capacity in the areas of planning, implementation and sustainable development of infrastructure and services in the project's target cities—Yaoundé, Douala, Bamenda, Maroua and Mbalmayo.

Component 2—Infrastructure works in poor neighbourhoods: aims to upgrade infrastructure to improve access to basic services in low-income settlements through a participatory approach.

Component 3—Support to the development of public/private partnership in urban water supply: aims to expand urban water supply services by (i) facilitating sector reform—in particular of the PPP; (ii) supporting rehabilitation of urban water facilities; and (iii) facilitating services expansion to low income neighbourhoods.

Achievement of the project objective will be evaluated against two performance objectives: (1) Nearly 200,000 additional persons should have access to safe drinking water; and (2) Nearly 250,000 additional persons should have direct access throughout the year to improved sanitation and transport facilities.

Source: World Bank, 2007⁸⁷

Housing supply

The *Cameroon Urban Development Strategy: Status and Diagnostic Assessment* report⁸⁸ affirms that the principal challenge facing the housing sector is that the supply of buildable land and housing, both rental and for sale, has not responded, quantitatively or qualitatively, to the demand, as shown in the problem tree in Figure 1. According to an evaluation study of the capacities of the actors in the social housing sector by Groupe Huit⁸⁹, only a very small proportion of new housing (less than 3%) is supplied by private developers for ownership or rent; which includes completed or almost completed serviced plots, houses and apartment blocks. The formal private sector delivers only a few hundred units per year, and thus contributes only marginally to the estimated total annual supply of about 70,000 units—against an estimated deficit of 1.5 million units. Indeed, in 2010/11, the public and formal private sectors together supplied only 1,500 housing units.⁹⁰ Moreover, formal supply offers products that are only accessible to households in the highest income quintile—and this, in most cases, only through many years of saving.⁹¹

The vast majority of households resort to self-construction/ “autopromotion”/ “autoconstruction”, through which housing—which varies considerably in size and quality and standard of materials, finishes and fittings—is built through a process similar to that illustrated schematically in Figure 22. At the bottom end of the scale are rudimentary dwellings built at a minimal cost of a few hundred thousand FCFA (a few thousand US dollars) on unserviced, low-value land with uncertain tenure—typically in hazardous marshy and hilly areas and peri-urban informal settlements. At the top end are modern high

⁸⁷ World Bank, "Urban and Water Development Support Project: Project Information Document (PID) Appraisal Stage," (Washington, DC: World Bank, 2007).

⁸⁸ Republic of Cameroon, "Stratégie de Développement Urbain du Cameroun: États des Lieux et Bilan Diagnostic."

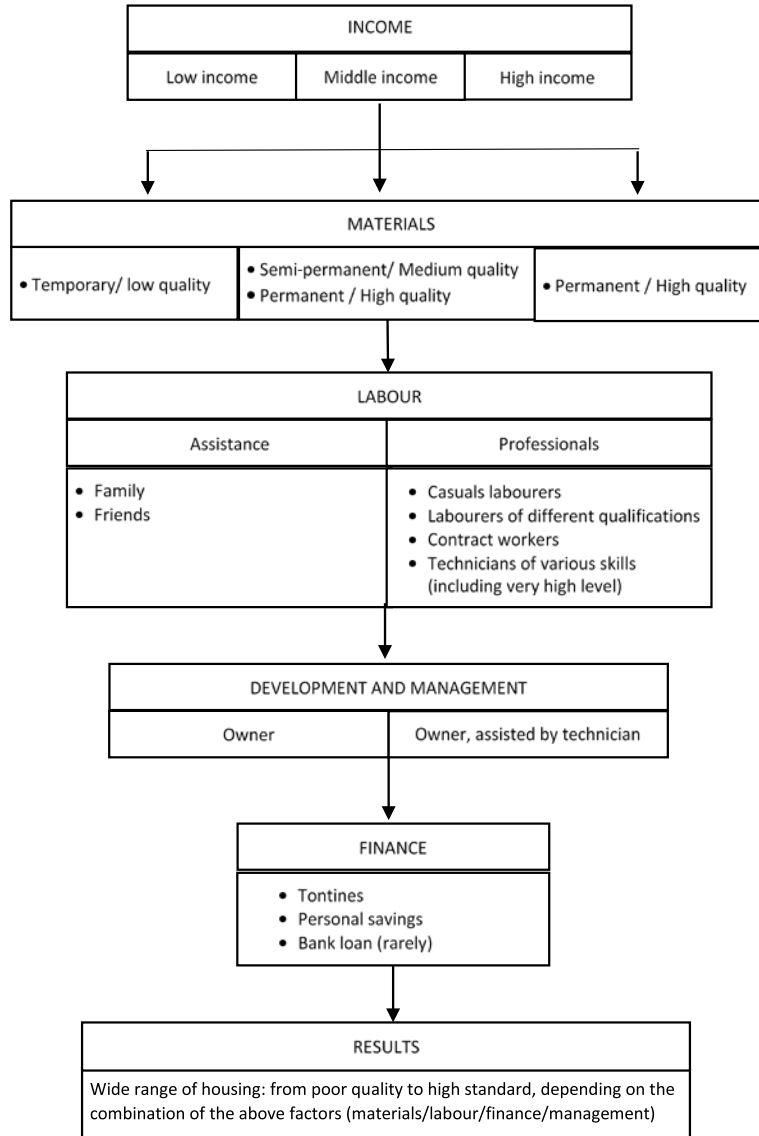
⁸⁹ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

⁹⁰ Interview with the Director, Department of Social Housing and Real Estate, MINH DU on 14/05/2014.

⁹¹ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

standard houses constructed on large plots, built at a cost of hundreds of millions of FCFA (hundreds of thousands of US dollars), which are informal by virtue of the fact that they have not complied fully with the formal housing development procedures and requirements.⁹²

Figure 22: Schematic of self-construction housing mode



Source: After Pettang et al., 1995, p.886⁹³

The Groupe Huit⁹⁴ study estimates the annual increase in the housing stock in Yaoundé and Douala to be about 7%, and about 5% in cities with populations of 50,000 or more. This supply is generated primarily by three categories of investment:

⁹² Ibid.

⁹³ Chrispin Pettang, Paul Vermande, and Monique Zimmerman, "L'impact du secteur informel dans la production de l'habitat au Cameroun," *Cahiers des Sciences Humaines* 31, no. 4 (1995).

- 1) **Self-construction of permanent housing:** involves households acquiring, in most cases, semi-urban plots, individually or in groups, and building their own permanent houses incrementally, over typically 10 to 15 years,⁹⁵ through gradual investment according to their financial capacities. Only a small proportion of this housing conforms fully to formal legal, regulatory and approval procedures and requirements, which include: a land title deed; an approved building plan; a building permit; and payment of taxes (VAT) on materials and construction.

Prices for plots range from 600,000 to 10 million FCFA (about US\$ 1,300 to 21,000) for 200 m²; and housing construction costs between 4 million and 20 million FCFA (US\$ 8,300 and 42,000), depending on the size of house; the construction technology and materials used; and the quality of fittings and finishes. Plot prices vary with distance from the city centre and availability of trunk infrastructure (piped water, drainage, roads, electricity). Most plots are (i) demarcated; (ii) subdivided into plots in accordance with a plan; or (iii) not subdivided in the case of informal settlements owing to the long and costly procedures.⁹⁶

This mode of incremental self-construction is the preferred approach of the majority of lower middle and middle class households in many SSA countries.⁹⁷

- 2) **Developer housing:** a minimal amount (less than 3%) of new housing for owner occupation or rent is supplied by private developers (formal and informal), who sell finished or almost finished products on developed plots, individual houses or apartments. Prices range from 11 million to 25 million FCFA (about US\$ 23,000 to 52,000). Effective demand for such housing is very low, in the order of a few hundred households a year.⁹⁸
- 3) **Self-construction of semi-permanent and temporary housing:** a significant amount of new housing is provided through construction of housing on plots, generally without title, in informal settlements on land allocated by traditional leaders, or on national land or in hazardous areas, often without water supply, and electricity supply through connections to already installed meters. There is significant demand for this form of housing, but it is impossible to quantify it on the basis of current observation and empirical evidence. This category can also include extensions to existing housing in densely populated neighbourhoods. UN-Habitat estimates that slums and informal settlements in Yaoundé and Douala are growing at an annual rate of between 5 and 6% a year. The high rate of housing supply of this nature has generally been facilitated by urban expansion without effective development control.⁹⁹

Self-construction accounts for 97% of the annual production of ownership housing. The informal sector does not only supply housing to meet demand among low-income households, although they are the biggest market. It is also the most affordable way for middle and upper incomes groups to access housing as it costs about two-thirds the price of equal quality housing built by the formal sector. Indeed,

⁹⁴ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

⁹⁵ Professor Ambe J. Njoh's first-hand knowledge of the residential housing development domain in Cameroon, cited in Ambe J. Njoh, "The validity of owner-reported property cost as a measure of property values in a developing real estate market, Cameroon," *African Review of Economics and Finance* 6, no. 1 (2014).

⁹⁶ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

⁹⁷ Anna Mazzolini, "Housing the New Urban Middle Class in Sub-Saharan Africa," *1st International Conference on Social Sciences and Humanities, ICSH 2014* (Gaborone, Botswana 4-7 June 2014/2014).

⁹⁸ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

⁹⁹ Ibid.

the use of artisans or small-scale contractors can circumvent the tax burden, but the housing may suffer from constructional and quality related problems. This is due, in part, to the lack of regulatory oversight, poorly trained and poorly equipped artisans and small scale contractors, and the mentality of the private developers, among other things.¹⁰⁰

Typical construction and rental costs for the various housing typologies distinguished in the 3rd GPHC built with permanent materials through self-construction are presented in Table 16.

Table 16: Typical construction and rental costs for various housing typologies built through self-construction

Housing typology	Yaoundé		Douala		Other cities/towns	
	Construction cost	Rental cost (FCFA)	Construction cost	Rental cost (FCFA)	Construction cost	Rental cost (FCFA)
Detached house	12,000,000	60,000	10,000,000	45,000	8,000,000	25,000
Modern Villa	30,000,000	110,000	27,000,000	90,000	25,000,000	50,000
Multi-dwelling unit	30,000,000	90,000	25,000,000	70,000	20,000,000	60,000
Flats/apartment building	–	90,000	–	70,000	–	60,000
Concession	30,000,000	80,000	25,000,000	70,000	20,000,000	60,000

Source: Case Study fieldwork

Real estate developers: are also making a notable contribution to the housing supply, albeit it for higher income groups. For example, Société de Promotion Immobilière Nationale (SOPRIN) has developed the Cité des Cadres in Yaoundé which comprises a total of 770 housing units. SOPRIN has three other housing development projects in the same city—Cité du Sappelli; Cité du Baobab; and Clos Pavillonnaire Saint-Victor—which will involve construction of 3000, 1,200 and 1,800 housing units respectively. Real estate developers are also trying to introduce affordable housing programme through which low income groups can access affordable decent housing. One such example is the Access to Social Housing Programme (PACHAS) being implemented by the Cabinet of Experts in Wealth Management (CEGeP), in partnership with MINDHU and MIPROMALO. PACHAS is a multi-year programme that aims to supply a minimum of 100,000 serviced plots (of between 150 and 300 m²) and 25,000 housing units targeted at low-income households. Details of the programme are available on the CEGeP website.¹⁰¹

Government Programme of Construction of 10,000 Social Housing Units and Development of 50,000 Buildable Plots

In 2009, the Government, through the Cameroon Housing Loan Fund (CFC), allocated 24 billion FCFA (about US\$ 50.1 million) to the priority Government Programme of Construction of 10,000 Social Housing Units and Development of 50,000 Buildable Plots. The foundation stones for the project sites in Douala and Yaoundé were laid in December 2009 and February 2010 respectively.¹⁰²

The first 1,675 housing units are being built on two sites—500 at Olembé in Yaoundé and 1,175 at Mbanga-Bakoko in Douala—and went on sale in September 2013. These units are of two types: T4 (3 bedrooms and a living room) and T5 (4 bedrooms and a living room). As Table 17 shows, there are 400 type T4 and 100 T5 housing units on sale at Olembé, which range in price from 18,256,000 to

¹⁰⁰ Ibid.

¹⁰¹ <http://www.cegep-sci.com>.

¹⁰² United Nations, "Cameroon: National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21," *Human Rights Council Working Group on the Universal Periodic Review Sixteenth session Geneva, 22 April–3 May 2013* (2013).

23,098,250 FCFA (US\$ 38,113 to 48,223); and 435 type T4 and 740 T5 units at Mbanga-Bakoko, with prices ranging from 16,726,500 to 20,832,000 FCFA (US\$ 34,920 to 43,491). The *Cameroon Urban Development Strategy: Status and Diagnostic Assessment* report affirms that the average cost of 20 million FCFA, excludes 95% of households owing to their low income.¹⁰³ This is confirmed by analyses of house price to income ratios.

The Annual Demographia International Housing Affordability Survey¹⁰⁴ uses the “Median Multiple” (median house price divided by gross annual median household income) to rate housing affordability. It ranks urban housing markets into four categories based on their Median Multiple, as shown in Table 18. Where data for estimating medians is not readily available, average multiple data (average house price divided by average household income) is used.

House price to income ratios for the social housing units being built under the Government’s flagship programme—i.e., average house prices against the national average monthly income and the average monthly income for public enterprises and parastatals—are shown in Table 19 and Table 20 respectively. Using the Demographia average multiple data approach to rate affordability, the tables show that the housing units are severely unaffordable for the average Cameroonian, and also for those employed in public enterprises and parastatals.

Table 17: Houses produced to date under the Government social housing programme

Project/City	House Type	Floor Area (m ²)	House price (FCFA)	House price (US\$)	Number of units
Olembé, Yaoundé	T4 1T	111.93	19,587,750	40,893.63	20
	T4 2T	113.39	19,843,250	41,427.04	20
	T4 3T	112.72	19,726,000	41,182.25	20
	T4 A	111.08	19,439,000	40,583.08	150
	T4 B	104.32	18,256,000	38,113.31	190
Olembé, Yaoundé	T5 1T	131.99	23,098,250	48,222.55	20
	T5 2T	124.44	21,777,000	45,464.15	20
	T5 3T	124.74	21,829,500	45,573.76	20
	T5 A	127.51	22,314,250	46,585.78	40
					500
Mbanga-Bakoko, Douala	T4 A	100.98	17,671,500	36,893.04	145
	T4 B	101.07	17,687,250	36,925.92	145
	T4 C	95.58	16,726,500	34,920.15	145
Mbanga-Bakoko, Douala	T5 A	119.04	20,832,000	43,491.26	330
	T5 B	117.51	20,564,250	42,932.28	330
	T5 C	108.38	18,966,500	39,596.63	80
					1,175

NB: The construction cost per square metre for all the units is 175,000 FCFA (US\$ 365.35)

Source: MINHDU, 2014

¹⁰³ Republic of Cameroon, "Stratégie de Développement Urbain du Cameroun: États des Lieux et Bilan Diagnostic."

¹⁰⁴ Demographia, "10th Annual Demographia International Housing Affordability Survey: 2014," (Belleville, Illinois: Demographia, 2014).

Table 18: Demographia Housing Affordability Rating Categories

Rating	Median Multiple
Severely Unaffordable	5.1 & over
Seriously Unaffordable	4.1 to 5.0
Moderately Unaffordable	3.1 to 4.0
Affordable	3.0 & Under

Table 19: House price to income ratio – based on national average monthly income

Project/City	House Type	Average price (FCFA)	Average Income (FCFA) ¹⁰⁵	House price to income
Olembé / Yaoundé	T4	19,370,400	393,600	49.2
Olembé / Yaoundé	T5	22,254,750	393,600	56.5
Mbanga-Bakoko / Douala	T4	17,361,750	393,600	44.1
Mbanga-Bakoko / Douala	T5	20,120,917	393,600	51.1

Table 20: House price to income ratio – based on public enterprises/parastatal average monthly income

Project/City	House Type	Average price (FCFA)	Average Income (FCFA) ¹⁰⁶	House price to income
Olembé / Yaoundé	T4	19,370,400	1,648,800	11.8
Olembé / Yaoundé	T5	22,254,750	1,648,800	13.5
Mbanga-Bakoko / Douala	T4	17,361,750	1,648,800	10.5
Mbanga-Bakoko / Douala	T5	20,120,917	1,648,800	12.2

Other current and future housing supply

In its efforts to deliver social housing, the Government has signed memorandums of understanding (MoUs) and entered into partnership investment agreements with various foreign bodies and companies—a number of which involve direct foreign investment (DFI).¹⁰⁷ They include the following:

- On-going construction of 1,800 houses in six towns in partnership with Chinese Cooperation for a total cost of 33.5 billion FCFA (about US\$ 70 million), with Cameroon's counterpart contribution being over 5 billion FCFA (US\$ 10.4 million). As of December 2013, the form work of two pilot apartments at Olembé (Yaoundé) comprising 40 houses had been completed while 31 other buildings were 31% complete. The advantages of the project prompted the Government to request an extension of 1,500 houses.¹⁰⁸
- On April 25, 2013, the Qatari Haba Business Group and the Cameroonian Government signed a MOU for construction of 10,000 homes by the former in the country's ten regions. Construction is expected to be completed in three years.
- In March 2014, MINH DU and Vital Capital Fund, a Swiss investment fund, announced an agreement with Deutsche Bank to finance construction of 40,000 low-income housing units. This followed a similar agreement in October 2013, which included construction of 40,000 homes in tranches of 5,000 in selected cities and towns.¹⁰⁹

¹⁰⁵ Based on national average monthly income of 32,800 FCFA.

¹⁰⁶ Based on public enterprises and parastatal average monthly income of 137,400 FCFA.

¹⁰⁷ DFI can take a variety of investment modes, including: Greenfield investment; mergers and acquisitions; joint ventures; reinvested earnings; intra-company loans; and Non-equity forms of DFI. Some of these modes have been adopted in the implementation of the Government social housing programme.

¹⁰⁸ Republic of Cameroon, "Press Release following the Cabinet Meeting of Thursday 26 December 2013," (2013).

¹⁰⁹ *Business in Cameroon*, 7 March, 2014 <http://www.businessincameroon.com/construction/0703-4700-deutsche-bank-and-vital-capital-fund-join-forces-to-build-40-000-low-income-housing-units-in-cameroon>.

- Turkish real estate and low-income housing investors will disburse a total of US\$ 360 million (approximately 180 billion FCFA) following the signing of an agreement to build 8,000 low-income homes following an economic mission to Turkey in March 2013, led by the Cameroon President.¹¹⁰
- A Moroccan company, Addoha, which specialises in construction materials, is to construct 1,300 affordable housing units and 26 villas. Addoha has constructed a cement factory in Douala, which began operations in February 2014, with an initial estimated annual production capacity of 500,000 tonnes, but capable of reaching one million tonnes.¹¹¹

While Government policy has emphasised homeownership, there is a very substantial shortage of between 400,000 and 600,000 rental units. Indeed, renting rather than ownership is becoming the norm in urban areas. It is therefore imperative, that the Government recognise the importance of rental housing, and the benefits of regulating and supporting rental markets to complement ownership.¹¹²

C. Current Land Stock

Legal frameworks for land

Cameroon is constitutionally a bijural and bilingual country owing to its French and British colonial heritage. Hence, two different legal systems operate concurrently in different regions of the country—French-oriented civil law applies in the eight Francophone eastern provinces and English common law in the remaining two Anglophone western provinces—while the 1974 Land Law and 1996 Constitution apply nationally. In addition, customary law is also recognized, which, because of the country's ethnic diversity,¹¹³ encompasses multiple and evolving traditional norms and practices. Principles of Islamic law have also been incorporated into customary law in the Muslim regions, which are primarily in the north, where separate Shari'a law is also recognized.¹¹⁴ As a result, Cameroon suffers a profound right-to-land dualism between modern and customary/traditional rights.¹¹⁵

The legal and regulatory framework governing land management and administration comprises laws, ordinances and decrees, which are supplemented by several affiliate legal instruments and documents governing the management of land and State property down to the level of sub-division, the smallest administrative unit.¹¹⁶ The institutional framework for the implementation of land legislation was put in place through Decree No. 2005/178 of 27 May 2005 which established the Ministry of State Property

¹¹⁰ Business in Cameroon, "180 billion in financing from Turkey now available for real estate projects in Cameroon," *Business in Cameroon* June 2014, no. 17 (2014). Indeed, since the economic mission, economic cooperation between the two nations has been strengthened, particularly in the real estate and construction sectors.

¹¹¹ Business in Cameroon, "Moroccan company, Addoha, to build 1,300 low-income housing units and 26 villas in Yaoundé," *Business in Cameroon* June 2014, no. 17 (2014).

¹¹² CAHF, "2013 Yearbook - Housing Finance in Africa: A Review of Some of Africa's Housing Finance Markets."

¹¹³ The main ethnic groups are the following: Cameroon Highlanders 31%, Equatorial Bantu 19%, Kirdi 11%, Fulani 10%, Northwestern Bantu 8%, Eastern Nigritic 7%, other African 13%, non-African less than 1%.

¹¹⁴ USAID, "USAID Country Profile: Property Rights And Resource Governance – Cameroon," (USAID, 2011).

¹¹⁵ S. Gulyani et al., "Cameroon: Country Assessment Report," *Upgrading Low Income Urban Settlements* (Washington, DC: World Bank, 2002).

¹¹⁶ These include:

- Ordinance No. 74-1 of 6 July 1974 to establish rules governing land tenure and Laws No. 80-21 of 14 July 1980 and No. 19 of 26 November 1983 to amend it;
- Ordinance No, 74-2 of 6 July 1974 to establish rules governing State lands;
- Law No. 76/25 of 14 December 1976 to establish regulations governing cadastral surveys and records;
- Law No 80-22 of 4 July 1980 to repress infringements on landed property and State lands; and
- Law No 85-09 of 4 July 1985 relating to expropriation for public purposes and conditions of compensation constitute.

and Land Tenure (MINDAF), and Decree No. 2005/481 of 16 December 2005.¹¹⁷ The elaborate legal and institutional framework is justified by the aim of bringing land administration services closer to users.¹¹⁸

Cameroon's formal law classifies land as public, private or national. Public land is land held by the State for the benefit of the people of Cameroon, and includes the sea side, waterways, parks, roads and other lands for public use. Private land can be owned by individuals, groups, corporate entities or the State. For land to be deemed private, it must be titled and registered. All other land is classified as national land, which includes most unoccupied land; land held by communities under customary law; grazing land; and informal settlements. The State can allocate use rights to national land to individuals or groups or convert such land into State public or private property.

Land supply and management

There are many different stakeholders in land supply and management in Cameroon. They include the following, identified in the AfDB *Diagnostic Study for Modernization of the Lands and Surveys Sectors*¹¹⁹

- *Public actors:* The State through the Ministry of State Property, Surveys and Land Tenure (MINDCAF) and specialized institutions (MAETUR, SIC, CFC) which are responsible for managing and allocating leasehold and/or freehold land; issuing authorizations to occupy public property; and financing.
- *Private sector actors:* Licensed surveyors and notaries, who are intermediaries and auxiliaries of MINDCAF, and are involved in land transactions and indirect registration through the drawing of boundary plans and drafting of deeds.
- *Other actors:* Such as traditional chiefdoms, customary land holders, intermediaries and civil society organizations that influence land management.¹²⁰

These stakeholders have varying levels of influence on land allocation and hence access to urban land for housing development, especially for self-construction, and also increasingly for housing projects by private real estate developers. The Groupe Huit study of the public and private actors in social housing in Cameroon highlights the following:¹²¹

Urban and Rural Land Development Authority (MAETUR)

MAETUR has, to date, supplied over 50,000 plots in cities and towns nationwide, including Yaoundé, Douala, Bafoussam, Buea, Ebolowa, Kribi, Limbe and Soa; and there are currently more than a million Cameroonians living in a MAETUR "zone".¹²² These plots, which range in size from 150 m² to 3,000 m², have been targeted at the middle and upper income groups. The most significant land development scheme is in North Douala, in which 3,200 hectares were to be serviced in six phases. However, only three phases were fully realized, while the fourth part, and one third of the area, were returned to the customary community. Until 1987, MAETUR benefited from state subsidies in the form of trunk infrastructure—water supply, roads, electricity—which helped meet demand for serviced land.

¹¹⁷ It also amended and supplemented some of the provisions of Decree No. 76/165 of 27 April 1976

¹¹⁸ AfDB, "Cameroon: Diagnostic Study for Modernization of the Lands and Surveys Sectors," (Yaoundé: Country Regional Department Center (ORCE), 2009).

¹¹⁹ Ibid.

¹²⁰ Indeed, the administration is obliged to accommodate some of them, such as customary land holders, who are appointed members of cadastral survey and land consultative commissions.

¹²¹ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

¹²² <http://www.camerounactu.net/fr/economie/entreprises/1002-maetur--33-ans-au-service-de-lamenagement-urbain>.

State-owned estates

The State-owned estates were developed by MINH DU, and subsequently taken over by MINDCAF. These schemes were limited, and involved development of serviced plots in Yaoundé (Ngouso) and Douala (Bonapriso, Bonadoubé, Bonadouma and Nkondo). The main mission of MINDCAF today in land development is to build up reserves of State land and modernize the cadastral system, mainly for purposes of taxation. But these are both being hampered by lack of technical and financial resources.

Cameroon Housing Loan Bank (CFC)

From its establishment in 1977 to 2012, CFC provided loans totalling more than 261 billion FCFA (about US\$ 545 million). Some of these loans have been used to purchase and develop over 15,000 plots.

Douala Development Company (SAD)

The Douala Development Company (SAD) is currently collaborating with MINDHU and the French Development Agency (AFD) to develop the 170 hectares (ha) Mbanga-Japoma Commercial Property Development in Douala. Other SAD projects include: Burag-Bakoko (200 ha); Mbanga-Bakoko (500 ha); Logbessu (200 ha); Nyalla (100 ha); Ngombé (280 ha). Others are: 2,000 plots for sale at "Gardens OF Wouri" (the subdivision Bonamatoumbe) and 2,200 serviced plots at Great frame Mbanga-Japoma.¹²³ Table 21 shows prices of some of the plots supplied by SAD.

Table 21: SAD plot sale prices

Sites	Residential plots		Commercial plots		Serviced plots	
	(FCFA)	(US\$)	(FCFA)	(US\$)	(FCFA)	(US\$)
Bonamatoumbe (Gardens of Wouri)	29,500	62	35,000	73	40,000	84
Bwang-Bakoko	26,500	55	40,000	84	40,000	84
Yapaki Bakoko/Sodiko	24,500	51	29,500	62	40,000	84
Mbanga Japoma	35,000	73	40,000	84	40,000	84
Nkolbisson	30,000	63	29,500	62	40,000	84

The Department of State Property estimates the number of land certificates be 150 000; but the National Cadastral Survey Project estimated that in the year 2000, there were approximately 2,600,000 plots, which included 1,550,000 in urban areas¹²⁴

Urban land reserves

Law No, 2004/003 of 21 April 2004 governing planning in Cameroon addresses the need for adequate land for urban development and housing. Article 91 specifically empowers the State and local authorities to acquire land by common law, incorporation, expropriation or public right of pre-emption in order to create land reserves to meet future needs. Hence, in 2010, the Government launched a countrywide programme of creation of land reserves aimed at ensuring ready availability of land for (i) agro-industrial activities; and (ii) for state layout. The latter includes land for government uses, infrastructure services and housing. In 2013, the programme, which is being overseen by MINDCAF, secured 300 ha, including 100 ha in Yaoundé, Buea and Ebolowa respectively.¹²⁵

¹²³ Africa Project Access, "Cameroon," *Africa Project Newsletter* Issue 217, no. June 2013 (2013).

¹²⁴ AfDB, "Cameroon: Diagnostic Study for Modernization of the Lands and Surveys Sectors." The discrepancies in these

¹²⁵ Interview with Jean-Bosco Awono, Director of Surveys, MINDCAF.

In relation to this, the Government is implementing the AfDB-funded Support Project for Modernization of Land Registration and Improvement of the Business Climate (PAMOCCA). The overall objective of PAMOCCA is to develop the country's land resources in order to improve sustainable growth and reduce poverty. The project thus aims to revise the land-related legislative, regulatory and institutional framework and strengthen land management through modernization of land registration in four regional headquarters—Yaoundé, Douala, Maroua and Garoua. A key output of the project will be the creation of a countrywide land reserves database.¹²⁶

Upgrading and redevelopment

This involves interventions in informal settlements characterized by insecure tenure and lack of basic infrastructure— water supply, sanitation, access roads and electricity. The housing structures also do not comply with planning and building standards. The most significant upgrading interventions have been the World Bank funded First and Second Urban Projects (PDU1 and PDU2), which are summarily described in Box 5. PDU2 included defining plot boundaries in the Nylon slum area so as to establish plots of an acceptable shape and size in accordance with urban planning regulations; and thereafter enable residents to obtain legal title to their land. Some 21,858 plots have thus been created.¹²⁷

Box 5: Major slum upgrading initiatives

There have been two major World Bank-funded slum upgrading initiatives to improve the housing and living conditions of poor and low-income urban households in Cameroon, namely the First Urban Project (PDU1) and Second Urban Project (PDU2).

PDU1 aimed to upgrade one of Douala's worst slum areas, Zone Nylon which had about 250,000 residents. The original objective was to provide the resident population with basic water and sanitation services, which could be sustained through local financing. However, the project transformed into a major urban intervention involving construction of primary infrastructure—a central market stall and primary transit roads. The project achieved mixed results: while the Nylon area was significantly upgraded, more than 30% of the population, some 3,700 mostly lower-income households, was displaced owing to the application of high infrastructure standards. The main objective of PDU2 was to consolidate, through its three-pronged approach of resource mobilization, infrastructure improvement and institutional strengthening, the basis for sustainable urban development initiated under PDU1. The infrastructure improvement programme included the Douala Priority Infrastructure Programme consisting of: (i) traffic management improvements; (ii) road improvement; (iii) drainage improvement; (iv) continuation of works in the Nylon district; and (v) the development of a resettlement area of about 35 ha to relocate an estimated 1,000 households.¹²⁸

Although PDU2 was supposed to have ended in 1997, elements of the project are still being implemented by MAETUR in Douala today. While infrastructure has been upgraded in Nylon, there are still challenges with land titles in seven of the 22 zones.

Other significant upgrading programmes and projects undertaken in the last 10 years include the Decentralised Capacity Support Programme for Urban Development (PACDDU); Douala Infrastructure Project (PID); Urban Sector Development and Water Supply Project (PDUE), and the Participatory Slum Upgrading Project (PPAB).

¹²⁶ AfDB, "Republic of Cameroon: Support Project for Modernization of Land Registration and Improvement of the Business Climate (PAMOCCA): Appraisal Report," (2010); ———, "Cameroon: Support Project for Modernization of Land Registration and Improvement of the Business Climate (PAMOCCA)," (2013).

¹²⁷ Interview with with Martin Ndedi, Head of Upgrading Services, MAETR, Douala on 21/05/2014.

¹²⁸ World Bank, "Implementation Completion Report: Cameroon Second Urban Project," (1996); Gulyani et al., "Cameroon: Country Assessment Report."

Since 2008, Yaoundé Urban Community (CUI) has been carrying out forced evictions in informal settlements in the city. This has created a little over 50 ha of buildable land, which has not as yet been redeveloped. Rather, the evictions have rendered thousands of households homeless, and forced them to resettle in informal settlements on the periphery of the city with even worse living conditions.¹²⁹

Collaborative arrangements

The only large-scale collaborative project was implemented in Mbanga-Japoma in Douala by SAD, under the supervision of the Douala Urban Community (CUI). Initiated in 1996 with financial support from AFD, the innovative approach involved negotiating land for development with a customary community. Through this process, the community would get 45% of the developed land which it could then occupy or sell. The aim was to develop a large grid of 1.5 to 10 ha parcels of land serviced with roads, water and electricity, which would then be sold to private developers; who, in turn, would subdivide them into about 2,000 plots of, on average 500 m², and then sell them on at a specified price.¹³⁰

Private quasi-formal land supply

In recent years, an unregulated qualified sector has developed around Yaoundé and Douala, as a result of an informal practice involving Land Registry officers who have devised a simplified subdivision system called an approved "*plan de decoupage*". An estimated about 10,000 plots are supplied annually in this way, meeting about 25% of the demand. Indeed, the majority of peri-urban land in Yaoundé and Douala is subject to this approach.¹³¹ While these subdivisions provide the buyers with minimally serviced plots with titles, the approach is deficient for several reasons, including: (i) very few private developers who acquire land through this approach engage professionals (realtors, planners and surveyors) to carry out the subdivisions; (ii) the subdivisions are generally not properly planned areas, but rather simply plots laid along access routes, sometimes using surveyors; and (iii) to maximize profits, the whole area is subdivided into buildable plots, with no provision for trunk infrastructure and amenities.

With the exception of some recent projects implemented by real estate developers, this practice has generally led to unplanned and unregulated urban sprawl, owing primarily to the expediency of the quasi-legal approach. The Land Registry agents, who replace the professionals, are mostly civil servants who use their positions to fast track the process. The "*plan de decoupage*" is thus approved within two weeks, compared to at least two to three months if the formal process is followed. It is thus the fastest and most cost-effective way for the middle class to acquire urban land for self-build housing.¹³²

Informal land supply

This mode of supply is the most important, accounting for about 70% of the total area of cities nationwide. Plots are acquired in different ways, including squatting on unoccupied, poorly supervised land—often public or private State land or national land in areas deemed unfit for housing development (low-lying marshy areas, hill slopes, areas subject to pollution from industrial sources, etc.). The process of acquiring ownership is usually a graduated one whereby the prospective home builder occupies the land temporarily, with no tenure security; then if there is no reaction from the public authorities or owners of land, builds a basic shelter; and then if there is still no reaction, builds a more permanent house which the gradually consolidate as their means allow. Very large settlements have developed in

¹²⁹ Republic of Cameroon, "Stratégie de Développement Urbain du Cameroun: États des Lieux et Bilan Diagnostic."

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Ibid.

this way. This mode of urban land supply has been supplemented, in recent decades, by an equally informal process in which land with ill-defined ownership is sold, with no title, by customary owners and then subdivided. Customary owners are also selling, without authorization, parts of national land for which they have usufruct rights, but which they consider to be ownership rights. A similar informal practice takes advantage of the ambiguity of Article 59 of Law No. 2004/003, which allows sub-division into at least four plots without following the formal procedures for subdivision.¹³³

These informal practices—which are largely the result of poverty and the failure of the authorities to effectively plan and manage urban development—have precipitated the development of informal settlements. But they have also extended to middle income land and housing supply and development, in the absence of alternative efficient and affordable alternatives. Many households with a monthly income of between 150,000 and 300,000 FCFA (about US\$ 313 and 626) would prefer a larger and less expensive plot even if it is informal because of the land tenure; or because of non-conformity to urban planning regulations; or to take advantage of undervalued or non-existent property tax. The middle classes can thus be said to be also contributing to the development of the informal city.¹³⁴

D. Key Players

The Institutional framework for housing delivery has been significantly influenced by the political and economic development of the country. The granting of independence by the French and British respectively to the French-administered East Cameroon on 1 January 1960 and British-administered Southern Cameroon on 1 October 1961; and the subsequent merger of the two regions on 20 May 1972 to form the Federal Republic of Cameroon, triggered massive rural-to-urban migration. Hence, in a context in which the economy was growing at about 10% annually, rural migrants flocked to the larger urban centres in search of employment opportunities, thereby transferring rural poverty to urban areas. But the market was unable to keep pace with the consequent increased demand for affordable housing.

However, the strong economic growth until 1986 enabled the Government to take measures to improve the socioeconomic and housing conditions of its citizens. Hence, in 1976, the Government embarked on developing an institutional framework to support the implementation of the recommendations of the first United Nations Conference on Human Settlements (Habitat I). The Department of Housing was established within the Ministry of Urban Development and Housing (MINDUH) along with Department of Lands within the Ministry of State Property and Land Tenure (MINDAF). Specialized agencies for land supply, production of social housing and housing finance—namely, respectively, the Urban and Rural Land Development Authority (MAETUR); Cameroon Real Estate Corporation (SIC); and Cameroon Housing Loan Bank (CFC)—were also created. In addition, the Government developed a number of housing policy instruments aimed at improving access to adequate and affordable housing,

The key players in the housing sector are currently the following:

Ministry of Housing and Urban Development (Ministre de l’Habitat et du Développement Urbain–MINHDU)

MINHDU (formerly MINDUH)¹³⁵ is responsible for formulating, implementing and evaluating government policy in the areas of urban development and housing.¹³⁶ With respect to housing,

¹³³ Ibid.

¹³⁴ Ibid.

¹³⁵ Ministry of Urban Development and Housing (Ministre du Développement Urbain et l’Habitat–MINDUH)

MINHDU's responsibilities include: Implementing the low-cost housing policy; Formulation and implementation of housing improvement initiatives in both rural and urban areas; Formulation, and monitoring and enforcement of housing standards. MINHDU works closely with regional and local authorities; and also has supervisory authority over SIC and other bodies involved in urban development and housing.

Ministry of State Property, Surveys and Land Tenure (Ministre des Domaines du Cadastre et des Affaires Foncières–MINDCAF)

Established through Decree No. 2004/320 of 8 December 2004, MINDCAF (formerly MINDAF¹³⁷) has responsibility for the preparation, implementation and evaluation of government land and property policy. The creation of MINDCAF marked a major reform in land management in the country. Its division into several specialized and complementary departments was intended to make it more efficient and effective; and the far-reaching decentralization of services to improve its operationality and performance.¹³⁸ MINDCAF also has supervisory oversight responsibility for MAETUR.

Urban and Rural Land Development Authority (Mission d'Aménagement et d'Équipement des Terrains Urbains et Ruraux–MAETUR)

MAETUR was established in 1977 to increase the supply of serviced land for housing in urban areas and for agricultural purposes in rural areas. Hence, under the technical supervision of MINDCAF, MAETUR supplies serviced land for housing and real estate development through its four main operations: (i) planning; (ii) land development; (iii) informal settlements upgrading; and (iv) research. It carries out these activities on its own behalf or on behalf of others, including the Government; Decentralized Territorial Authorities (CTDs); private companies; and individuals. MAETUR has made a significant contribution to the supply of serviced urban land for housing, as shown in Box 1.

Cameroon Real Estate Corporation (Société Immobilière du Cameroun–SIC)

Created in 1952 by the French colonial administration, SIC was reorganized in 1978, whereby the Government took controlling interest and established it as the principal institutional real estate developer. Its key mission is to contribute to solving the housing crisis by enabling Cameroonians with average incomes to access affordable social housing through: (a) property development (of a range of housing, for ownership or rent, for different income groups); (b) promoting housing for ownership; (c) research (particularly relating to local materials and construction technologies); and (d) interventions on behalf of third parties, including delegated project management and real estate expertise. SIC was previously subsidized by the State and MAETUR; and also received funding from the State Budget and local banks, as well as from the French Government. But after more than 60 years of existence, it has made only a modest contribution to housing supply in the country, as shown in Box 1.¹³⁹

Cameroon Housing Loan Bank (Credit Foncier du Cameroun–CFC)

CFC was established by Decree No. 77/140 of 13 May 1977, but effectively began operations in 1978/1979. Its corporate purpose is to provide financial and expert support to social housing projects and real estate development in general. It is also responsible for collecting and distributing funds for the implementation of the housing policy; and is the only mortgage finance institution with the purpose of

¹³⁶ Decree N°2005/190 of 3 June 2005 regarding the organization of the Ministry of Urban Development and Housing.

¹³⁷ Ministry of State Property and Land Tenure (Ministre des Domaines et des Affaires Foncières–MINDAF).

¹³⁸ AfDB, "Cameroon: Diagnostic Study for Modernization of the Lands and Surveys Sectors."

¹³⁹ SIC, "Exposé du DG de la SIC."

promoting housing. The Government owns 75% of CFC's capital, and the National Social Insurance Fund (CNPS) and Cameroonian Postal Service (CAMPOST) 20% and 5% respectively.¹⁴⁰ CFC has, to date, granted loans totalling 261 billion FCFA (approximately US\$ 545 million) which have been used in the development of 15,700 housing plots and construction of 69,500 housing units.¹⁴¹ Its total assets at the end of 2013 were estimated at about 300 billion FCFA (about US\$ 626 million), representing 2% of GDP. Its financial situation has, however, been marred by its high level of non-performing loans (NPLs), estimated at 80 billion FCFA (about US\$ 167 million). The Government's outstanding obligations to CFC were estimated at about 300 billion FCFA at end-2013.¹⁴²

An International Monetary Fund (IMF) assessment of Cameroon's financial system in 2008,¹⁴³ found that CFC was insolvent and had made a limited contribution to housing finance development.¹⁴⁴ It recognized, however, that CFC's poor performance was partly attributable to factors beyond its control. In particular, formal sector housing prices were unaffordable for most households, and new housing production was constrained by land tenure and construction-related problems. The legal and institutional environments were also identified as impediments to housing finance, while the restricted scope of credit registries and other databases makes assessment of potential borrowers difficult.

Local Materials Promotion Authority (Mission de Promotion des Matériaux Locaux – MIPROMALO)

MIPROMALO was established as a semi-autonomous public agency under the supervisory authority of the Ministry of Scientific Research and Innovation by Decree No. 90/1353 of 18 September 1990 at the height of the economic crisis; but began its activities in 1994. Its primary aim is to promote the use of locally produced materials in order to reduce national construction costs.¹⁴⁵ To this end, it offers a range of services, including technical assistance; training; pilot and industrial scale production and use of local materials; equipment pool for on-site materials production; laboratory analysis and quality control of materials and products; feasibility studies; enterprise incubators; research and development; and consultancy. MIPROMALO focuses on a number of priority building materials—based on raw materials availability; technological simplicity of production and use; and demand. They include: compressed earth blocks; fired clay bricks; micro-concrete roof tiles; granite-concrete floor tiles; refractory bricks; dimension stones; and pottery and fine ceramics. MIPROMALO works with a number of partners, including the Special Fund for Equipment and Inter municipal Intervention (FEICOM); United Councils and Cities of Cameroon (UCCC); and the Cameroon Real Estate Developers Corporation Board (APIC).

¹⁴⁰ IMF, "Cameroon: Selected Issues."

¹⁴¹ Business in Cameroon, "In 37 years, Crédit foncier du Cameroun has financed the construction of 69,500 low-income housing units," *Business in Cameroon* June 2014, no. 17 (2014).

¹⁴² IMF, "Cameroon: Selected Issues."

¹⁴³ ———, "Cameroon: Financial System Stability Assessment—Update," *IMF Country Report No. 09/51* (Washington, DC: International Monetary Fund, 2009).

¹⁴⁴ Indeed, a World Bank review of housing finance policy in emerging markets (cited by Chiquier and Lea, 2009) observes that many of the state housing banks created since the mid-20th century have had to be bailed out and rescued Loïc Chiquier and Michael Lea, eds., *Housing Finance Policy in Emerging Markets* (Washington, DC: World Bank, 2009).

¹⁴⁵ MIPROMALO's activities focus on applied research and development, exploitation of results and outreach through three "Local Materials-Society-Development (MSD)" programmes, namely: (i) Eco-construction and Local Development; (ii) Entreprises Creation and Women Empowerment; and (iii) New Technologies and Education.

Special Fund for Equipment and Inter-Municipal Intervention (Fonds Spécial d'Équipement et d'Intervention Intercommunale–FEICOM)

Created by Law No. 74/23 of 05 December 1974 and operationalized by the Enforcement Decree No. 77/85 of 22 March 1977, FEICOM's mission is to provide technical and financial assistance to support local and regional authorities in their development initiatives and efforts to improve the living conditions of the population. Thus, in April 2013, FEICOM signed a partnership agreement with CFC and UCCC to set up a programme to promote access to decent housing at affordable cost.¹⁴⁶ The programme involves three main activities: (i) development and promotion of housing through building municipal cities; (ii) support to develop communal land plots; and (iii) development of council housing programmes and projects. Under the terms of the agreement, CFC is to allocate 10 billion FCFA (about US\$ 21 million) as a loan over a five-year period, to allow FEICOM to collect the necessary funds and transfer them to the councils presenting sustainable housing projects.

Douala Development Company (Société d'Aménagement de Douala–SAD)

SAD was established on 5th May 1995 to meet the growing need for serviced land and housing through an agreement between MINDUH, Urban Community of Douala (CUD) and the customary community of Canton Bakoko in Douala III; but began full operations in 1998. Its major objective is to significantly improve people's living conditions through the development of modern well-serviced neighbourhoods with all community facilities and amenities. Since 1998, SAD has successively evolved from wholesaler, to realtor, to developer-contractor. Hence, in addition to subdividing and servicing land, and constructing housing, SAD also sells land parcels of one to five hectares to real estate agents who, in turn, subdivide them into smaller plots for development and self-construction. It has also expanded its operations from Douala only to the country as a whole. SAD works with several partners, including MINHDU; MINDCAF; CFC; other technical and financial agencies involved in land and housing development; international agencies such as AFD; and local communities.

Private Real Estate Developers

In 2007, MINDUH carried out a review of the legal and regulatory framework governing real estate development, which introduced a registration process for real estate developers.¹⁴⁷ This is said to have stimulated low cost housing development, with 50 real estate developers having been registered by the end of 2012 and an increased number of projects being implemented by them.¹⁴⁸ As of 13 August 2014, there were 87 registered real estate developers.¹⁴⁹

The Cameroon Association of Real Estate Developers (APIC) was formed on 4 October 2010 and currently has 35 registered members.¹⁵⁰ APIC has formed a strategic partnership with MINHDU, through which the latter is taking measures to ensure ready availability of land for real estate developers to construct housing. MINHDU has also allocated 500 million FCFA (about US\$ 1.04 million) for a cost-sharing initiative to construct access roads for buildable plots. Formally registered real estate developers

¹⁴⁶ FEICOM, "FEICOM Rapport Annuel 2012," (Yaoundé: Fonds Spécial d'Équipement et d'Intervention Intercommunale (FEICOM), 2012).

¹⁴⁷ Decree No. 2007/1419/PM which laid down the conditions of application Law No. 97/003 of January 10, 1997 on property development.

¹⁴⁸ United Nations, "Cameroon: National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21."

¹⁴⁹ Telephone interview with Alain Mougang, President, APIC.

¹⁵⁰ Ibid.

are also being given tax incentives.¹⁵¹ In February, 2013, APIC signed a partnership agreement with MIPROMALO under which the latter will, among other things, provide technical support to APIC members, including providing local materials for construction of model homes. APIC, on its part, will encourage its members to use local materials in their housing projects.¹⁵²

Informal sector

The informal sector comprises a multitude of actors acting alone, in groups or as part of a business. They are distinguished by their socio-economic characteristics and their operational modes. The evaluation study of the capacity of public and private actors in the social housing sector by Groupe Huit¹⁵³ classifies them into two main categories: traditional owners and real estate developers.

Traditional owners are indigenous people who are central to urban land and housing supply in Cameroon. As custodians of land under customary law, they pass on the land by inheritance, sale, lease or loan. They are very active in the supply of peri-urban land for self-construction; and indeed large areas of Cameroon's cities are formed through this process. This way of supplying affordable buildable urban land supply has evolved over the past few decades.

Informal sector real estate developers (Informal promoters): include a range of actors of diverse origins, whose principal activity is to supply land for residential, commercial or industrial purposes; but who are generally not positioned to supply a steady and significant volume of land and housing.

Non-Governmental Organisations

Coalition of NGOs and CBOs of Cameroon Working in the Domain of Human Settlements (Coalition des Organisations Non Gouvernementales (ONG) et des Organisations Communautaires de Base (OCB) du Cameroun Œuvrant dans le Domaine des Établissements Humains–CONGEH)

Formed in 1995 within the framework of the second United Nations Conference on Human Settlements (Habitat II) held in Istanbul, Turkey in 1996, GONGEH is a coalition of over 30 non-governmental organizations (NGOs) and community based organisations (CBOs). CONGEH acts as coordinator, network, research centre and spokesperson for its member organizations. Its mission objectives are thus to: (i) Encourage co-operation between organizations working in the field of human settlements in Cameroon; (ii) Coordinate the action of member organizations; (iii) Promote information exchange and dissemination; (iv) Mobilize resources for its members; (v) Contribute to sensitization, both national and international, on problems concerning the wellbeing of the population; (vi) Support the transfer of tools and ensure adequate service to communities.

Association for Children, Youths and the Future (Association Enfants, Jeunes et Avenir–ASSEJA)

ASSEJA was created in October 1994, its mission being to work towards the socio-economic integration of children/youths in difficulties as well as training, educating and supporting underprivileged groups. ASSEJA's work falls under several domains, one of which is social housing and basic infrastructure. In the domain of social housing, ASSEJA has carried out studies and research, including a study on social housing in Cameroon and one on the legal framework for housing cooperatives in Cameroon. The former inventoried the status of social housing in Cameroon; while the later revealed that, under the

¹⁵¹ Interview with Emmanuel Asonwed, Director, Department of Social Housing and Real Estate, MINHDU on 14/05/2014.

¹⁵² <http://www.mipromalo.cm/index.php?page=partenariat-mipromalo-apic-une-veritable-synergie-entre-le-secteur-public-et-prive>.

¹⁵³ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

current legal framework, more than 10,000 structures have registered in the various activity sectors. Of this number, about 3,000 are cooperatives and at least 30 specifically housing cooperatives.¹⁵⁴

Solidarity and Support to Organizations and Freedoms (Actions Solidaires de Soutien aux Organisations et d'Appui aux Libertés–ASSOAL)

ASSOAL's global objective is to help improve access to decent housing and basic social services for people from underprivileged neighbourhoods. It specifically aims to; (a) help people to better organize so they can participate more in the dialogue and management of urban development; (b) improve the supply of, and people's access to, housing and basic social services in underprivileged neighbourhoods; and (c) help increase young people's and women's income in underprivileged neighbourhoods. Its work falls under six themes: (i) habitat and social housing; (ii) social protection; (iii) citizen participation; (iv) participatory budgeting; (v) basic social services; and (vi) youth and women's entrepreneurship,

ASSEJA and ASSOAL collaborated with the international NGO Cordaid (Catholic Organisation for Relief and Development Aid) in a project that aimed to promote the creation of accessible and affordable social housing in Cameroon. The project focused on three areas: (a) the development of a national social housing policy; (b) finance creation, and (c) capacity building.

Cameroon Housing Advocacy Group (Groupe Plaidoyer Habitat Cameroun–GPHC)

GPHC is composed of ASSEJA, ASSOAL, CANADEL, CAFER, INTERVOLVE, MUPROF and COOP-HABITAT. Its vision is "Access to decent, affordable housing for all Cameroonians". To achieve this, its mission is to lobby the state and other stakeholders prioritise housing in the fight against poverty, along with health and education. It also advocates for the improvement of the regulation and funding of social housing.

2. Supply-Side Value Chain

A. Land

Land in Cameroon is acquired through purchase, leasing, borrowing, inheritance or allocation by traditional leaders. Cameroon's formal law recognizes the following tenure types:¹⁵⁵

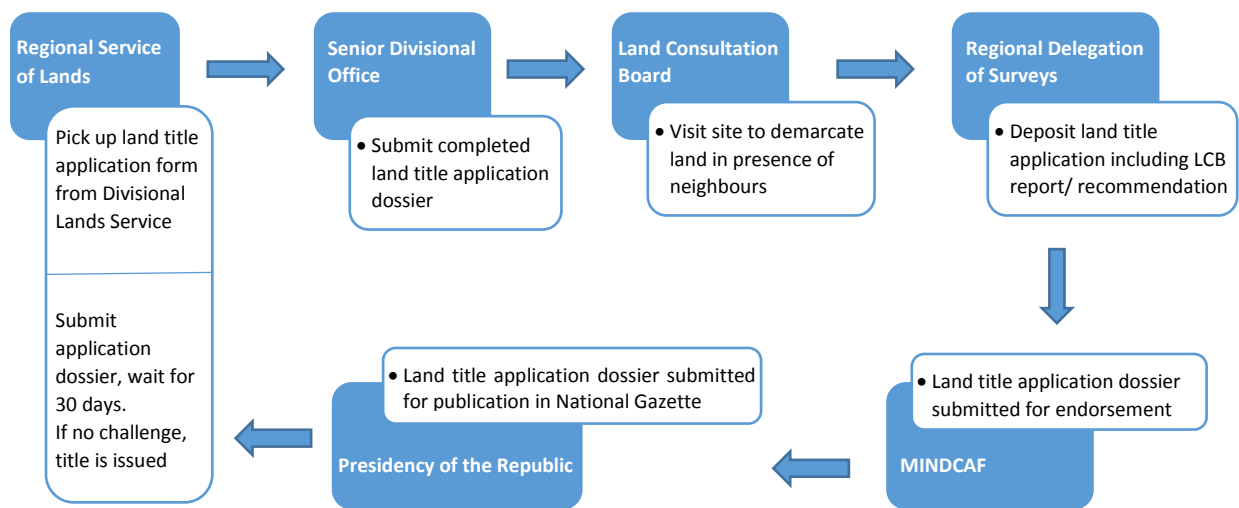
- **Ownership:** Landowners have rights to exclusive possession and use of their land, the right to mortgage the land, and the right to transfer the land. All ownership rights in land must be registered. Most privately-owned, registered land is in urban areas.
- **Leaseholds:** Leaseholds can be granted by the state or private parties under terms agreed to by the parties. Leasing is common in urban and peri-urban areas.
- **Profit or license** (i.e., the right to take products from the land): The formal law provides that customary communities have the right to hunt on and take products from unoccupied national land until such time as the state assigns the land to a particular use.
- **Usufruct:** The state can grant usufruct rights to occupants of national land. Communities that have not registered their land are generally considered to have usufruct rights.

The major steps involved in the process of certification of land ownership are outlined in Figure 23, and summarily explained in Box 6; while the steps that have to be followed to acquire a MAETUR plot are explained in Box 7.

¹⁵⁴ http://asseja.net/images/news/studies_and_research.pdf.

¹⁵⁵ USAID, "USAID Country Profile: Property Rights And Resource Governance – Cameroon."

Figure 23: Steps and procedures for land titling in Cameroon



Source: Njoh, 2013, p.760¹⁵⁶

Box 6: Steps and procedures for obtaining a landownership certificate in Cameroon

Obtaining a landownership certificate requires submission of an application dossier, which includes four copies of a completed application form from the local Divisional Service of Lands; a certified copy of the applicant's national identity card; a postal money order of 5,000 FCFA (about US\$ 10) to cover the application filing fees; and a postal money order of 27,500 FCFA (about US \$58) to cover the cost of topographic works. The completed dossier must be submitted to the Senior Divisional Office. Upon receipt of the dossier, the Senior Divisional Officer (SDO) is required to draw up the site visit schedule for the Land Consultative Board (LCB), which stipulates the date for visiting the parcel of land for which title is being sought. The main purpose of the site visit is to demarcate the parcel of land in question, which must be done in the presence of all owners of parcels of land adjoining the one being demarcated. The LCB is then required to prepare a report recommending that the land title be either granted or denied. The LCB report constitutes part of the dossier that must be forwarded to the Regional Delegate of Surveys for endorsement and onward transmission to MINDCAF. At MINDCAF, a notice of final demarcation is drawn up and included in the dossier, which is thereafter forwarded to the Presidency of the Republic for publication in the Official Gazette. The dossier is then returned to the Regional Service of Lands, where notification of the land title application is published in the Official Gazette. The land title is issued 30 days following publication if the application is not challenged.

Source: Njoh, 2013¹⁵⁷

The land titling reform in 2005 was aimed to streamline the process and reduce the cost of titling land; and there was reportedly a noticeable increase in the number of land titles from 125,000 in 2008 to 143,308 in 2010.¹⁵⁸ Officially, MINDCAF services estimate the time taken to obtain a land certificate to be six (06) months; with Figure 24 showing the number of days each of the main stages officially takes. But despite the reforms, land registration remains a very bureaucratic, lengthy and costly process.

¹⁵⁶ Ambeh J. Njoh, "Equity, Fairness and Justice Implications of Land Tenure Formalization in Cameroon," *International Journal of Urban and Regional Research* 37, no. 2 (2013).

¹⁵⁷ Ibid.

¹⁵⁸ Republic of Cameroon, "3rd Periodic Report of Cameroon within the Framework of the African Charter on Human and Peoples' Rights," *53rd Session of the African Commission on Human and Peoples' Rights of the African Union, Banjul, 09 to 24 April, 2013* (2013).

Indeed, the AfDB *Diagnostic Study for Modernization of the Lands and Surveys Sectors* affirms that, according to statements made by the heads of some divisional services and the press, the reality is quite different. According to the study, this is seemingly explainable by the rampant corruption undermining the process and management of acquiring a land certificate.¹⁵⁹ Consequently, most Cameroonians resort to the customary system of land ownership. For example, in Douala, an estimated 80-94% of land transactions take place under this system;¹⁶⁰ while it is estimated that 80% of plots in urban and peri-urban areas countrywide are held under customary law.¹⁶¹

Box 7: Steps to acquire a MAETUR plot

Step 1: Acquisition of a plot

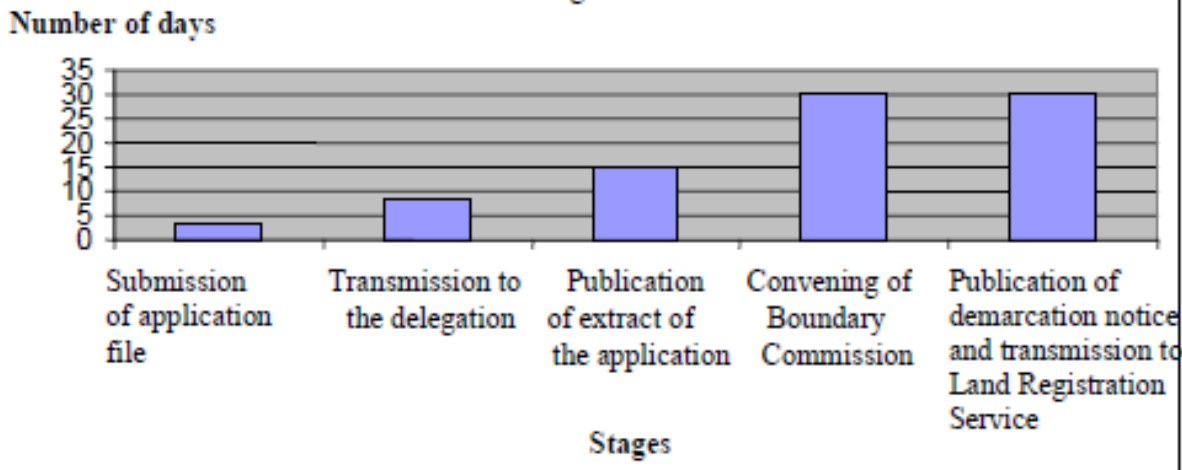
- Reception and information
- Site visits
- Purchase of land
- Opening of file
- Deposit of 30% of the price of the plot is paying in instalments
- Drawing up of sale contract
- Payment period of six (06) to twelve (12) months depending on the plot
- Drawing up of certificate of award after payment of the balance.
- Discount: of 5% of the selling price if paying in cash
 of 3% of the selling price if completing payment after three (03) months

Step 2: Administrative fees

- Refundable deposit fee (5% of the price of the plot)
- Land title fee based on the price of the plot
- Compliance inspection fee
- Plan fee (depending on the level of the building)

Source: MAETUR Office, Yaoundé

Figure 24: Process of obtaining the land certificate



*Source: AfDB, 2009, p.12*¹⁶²

¹⁵⁹ AfDB, "Cameroon: Diagnostic Study for Modernization of the Lands and Surveys Sectors."
¹⁶⁰ Dr. Glibert Baluba, Chief of Planning in the Department of Housing, Lands and Urban Planning of the Douala Commune, cited in Sandra Belaunde et al., "Land, Legitimacy and Governance in Cameroon," (Paris: Institute for Research and Debate on Governance, 2010).
¹⁶¹ USAID, "USAID Country Profile: Property Rights And Resource Governance – Cameroon."
¹⁶² AfDB, "Cameroon: Diagnostic Study for Modernization of the Lands and Surveys Sectors."

Other factors that discourage Cameroonians from obtaining title for their land have yet to be addressed. They include the fact that most land is still held under customary tenure arrangements and administered by traditional rulers.¹⁶³ A primary advantage of obtaining land through customary contracts rather than land titles is that the former costs much less as the only cost incurred is the agreed upon price between the seller and buyer. The statutory system, on the other hand, involves local, regional and state official and unofficial fees. Moreover, customary contracts reduce the time it takes to obtain land compared to the bureaucratic registration process which, despite the reforms to expedite the process, may take up to five years.¹⁶⁴ However, as more land is acquired by the government, private companies, influential urban elites and manipulative traditional leaders, customary tenure systems no longer provide people with security over their land.¹⁶⁵

In recent times, a new practice has emerged whereby businessmen are pre-financing the process of subdivision and land title acquisition by customary landowners in exchange for a portion (typically one-quarter or one-third) of the land. Urban growth and the incapacity of the governments to supply serviced and titled plots have inspired and facilitated the emergence of such neo-customary players. This practice is however creating challenges of land insecurity and unplanned urban expansion.¹⁶⁶

In 2010, MINDCAF issued an Instruction to make land transactions easier for commercial enterprises,¹⁶⁷ and introduced One Stop Shops—counters or offices specially equipped to collect application files from enterprises and inform them of the status of their files and outcome of their application.¹⁶⁸ One-Stop Shops have already been set up in Yaoundé and Douala, and others will be set up in each of the remaining divisional headquarters. Also, in February 2014, MINDCAF published a *Land Tenure, State Land and Surveys Procedures Manual*. Volume 1 covers National Land Individual Private Property Procedures and includes procedures, offices/officials, timeframes and costs.¹⁶⁹

Minimum plot size

The minimum plot size in urban areas is 150 m². However, a study conducted by MINDCAF found that 150 m² was not adequate for most households needs, especially if they want to build rental housing or practice urban agriculture.¹⁷⁰ MINDCAF has hence set 300 m² as the minimum plot size, which it considers to be affordable to households wishing to buy plots on which to build housing.¹⁷¹ However, the increase in the minimum size will not only increase the cost of a plot, but also have cost implications for trunk infrastructure provision.

¹⁶³ Anne-Gaëlle Javelle, "Cameroon: Land Registration in Cameroon," (2013).

¹⁶⁴ Belaunde et al., "Land, Legitimacy and Governance in Cameroon."

¹⁶⁵ Javelle, "Cameroon: Land Registration in Cameroon."

¹⁶⁶ ECA, "Land Policy in Africa: Central Africa Regional Assessment," (Addis Ababa: AUC-ECA-AfDB Consortium, 2012).

¹⁶⁷ N°01/MINDAF/S030 of 8th April 2010.

¹⁶⁸ Order N°0109/MINDAF/ S030 of 8th April 2010 relating to the creation and operation of One-Stop Shops. A website (<http://www.gutf.cm>) was also launched to serve as an interactive online platform through which files can be processed and tracked more efficiently.

¹⁶⁹ Republic of Cameroon, "Land Tenure, State Land and Surveys Procedures Manual: Volume 1 of National Land and Individual Private Property Procedures," *Action Matrices, Officials, Timeframe and Cost in Consonance with Procedural Steps* (Yaoundé: Ministry of State Property, Surveys and Land Tenure 2014).

¹⁷⁰ In Yaoundé, for example, 35% of the population is involved in urban agriculture. Hubert De Bon, Laurent Parrot, and Paule Moustier, "Sustainable urban agriculture in developing countries. A review," *Agronomy for Sustainable Development* 30, no. 1 (2010).

¹⁷¹ Interview with Jean-Bosco Awono, Director of Surveys, MINDCAF

The smallest plot in the Nylon upgrading project in Douala, which was part of the World Bank funded Second Urban Project (PDU2) is 90 m², with prices of land in the locality ranging from 8,000 to 18,000 FCFA (about US\$ 17 to 28) per square metre. In addition to the purchase price, buyers have to also pay for the title, the cost of which varies according to the size of the plot, and hence ranges from 200,000 to 300,000 FCFA (about US\$ 418 to 626).¹⁷² The smallest plot size in SAD schemes is 200 m², with prices ranging from 26,000 to 35,000 FCFA per square metre (about US\$ 54 to 73).¹⁷³

Despite the formation of various working groups to look into the issue of norms and standards for both land and housing development, with a view to reducing costs and increasing access, there has been virtually no progress in this regard. One of the key areas of contention has been land transaction costs, as these together with taxes currently constitute 20-25% of the cost of land.¹⁷⁴

In a presentation to the *Information Seminar for Parliament on Government Policy Regarding Promotion of Social Housing in Cameroon*,¹⁷⁵ the Director of MAETUR outlined ways in which the price of plots can be reduced so as to facilitate access to low-income households. These are summarised in Box 8.

Box 8: Ways in which the price of plots can be reduced

Area: Reduce the size to the minimum necessary without compromising standards of decent housing; , densify housing by building multi-level, multi-unit residential structures, and introducing condominium ownership

Provision of trunk infrastructure: Provide only minimal trunk infrastructure; but avoid incomplete or poor installed infrastructure which will require maintenance and repairs in a short time.

Cost considerations: Get the best quality / price / performance for each component

Direct subsidization: Support of some of the components by the State or CTDs would lower the cost of plots.

Indirect subsidization: Through tax sales tax and customs duty facilities (exclusions or reductions) and subsidized interest rates.

Scale of intervention: Implement large-scale projects. This would enable optimization of infrastructure, as well as allowing economies of scale. This would ultimately reduce land speculation.

Source: MAETUR, 2014¹⁷⁶

B. Trunk Infrastructure

Much of the urban population growth in Cameroon in the past 15 years has been absorbed by the development of peri-urban informal settlements and, to a lesser extent, the densification of low-income neighbourhoods in inner city areas. Most of the urban sprawl has occurred with few connections to trunk infrastructure—water supply, sewerage, roads and electricity.¹⁷⁷ In the case of Yaoundé, the topography—a series of valleys with steep slopes and flood-prone bottoms—makes it very difficult and

¹⁷² Interview with Martin Ndedi, Head of Upgrading Services, MAETR, Douala on 21/05/2014.

¹⁷³ Interview with Francis Ebumbu, Technical Director, SAD on 21/05/2014.

¹⁷⁴ Interview with Technical Director, SAD on 21/05/2014.

¹⁷⁵ MAETUR, "MAETUR: Acteur Public de Production de Parcelles Constructibles a Prix Modère," *Séminaire d'Information des Parlementaires sur la Politique du Gouvernement en Matière de Promotion des Logements Sociaux au Cameroun* (Yaoundé2014).

¹⁷⁶ Ibid.

¹⁷⁷ Carolina Dominguez-Torres and Vivien Foster, "Cameroon's Infrastructure: A Continental Perspective," *Policy Research Working Paper 5822* (Washington, DC: World Bank, 2011). This same World Bank Policy Research Working Paper, citing a World Bank Project Information Document, asserts that: "The current urban infrastructure stock is almost the same as it was at the end of the 1980s, while the population has more than doubled. Nearly 70 percent of the urban population, and all of the poorest urban inhabitants, have no access to public utilities or basic services" (p.5).

costly to extend trunk infrastructure services to these densely populated areas so as to improve the living conditions of the residents.

Cameroon's national water and sanitation policy incorporates the guiding principles of the MDGs. The main objectives of the policy are to: (i) promote access to safe water for all Cameroonians by 2025; (ii) promote a demand driven approach to the supply of water and sanitation services; (iii) decentralize the planning and management of safe water supply and sanitation services; (iv) build capacity; (v) redefine the role of various institutions involved in water and sanitation services with a view to greater public participation; (vi) support the private sector; and (vii) redeploy the State as facilitator.¹⁷⁸

Water supply

Overall responsibility for urban water supply lies with MINHDU. However, in 2005, with the support of the World Bank and other agencies, the Government embarked on a major institutional reform of the urban water sector, which was anchored on the delegation of service provision through a public-private partnership (PPP) approach.¹⁷⁹ Decree No. 2005/494 of 31 December 2005 created the Cameroon Water Corporation (Camwater), a state-owned company, which acquired the assets of the former national water utility, the Cameroon National Water Corporation (SNEC). Camwater manages public water supply services in urban and peri-urban areas on behalf of the State, under the technical supervision of the Ministry of Water and financial supervision of the Ministry of Finance.

In August 2007, Camwater delegated its concession with the government for service delivery in urban and peri-urban areas by awarding a 10-year *affermage* contract to a consortium led by Morocco's largest public water utility, Office National de l'Eau Potable (ONEP).¹⁸⁰ The private operator began providing water supply services in May 2008 under a newly established local company, Camerounaise des Eaux (CdE).¹⁸¹

A distinctive characteristic of urban water supply in Cameroon is that the networks in Yaoundé and Douala satisfactorily cover the two cities, which account for the majority of the urban population. This is despite there being a very low rate of individual connections—the World Bank has estimated a rate of 22% for Yaoundé and 25% for Douala— and inadequate production capacity in Yaoundé. The WHO/UNICEF Joint Monitoring Programme (JMP) estimated that 92% of the urban population had access to an improved water source in 2008, compared to 77% in 1990, as illustrated in Figure 1. This high rate places the whole sector (urban and rural) on track for exceeding the MDG Target 7.C of halving, by 2015, the proportion of the population without sustainable access to safe drinking water.¹⁸²

¹⁷⁸ AfDB, "Cameroon 2007," *African Economic Outlook* (2007).

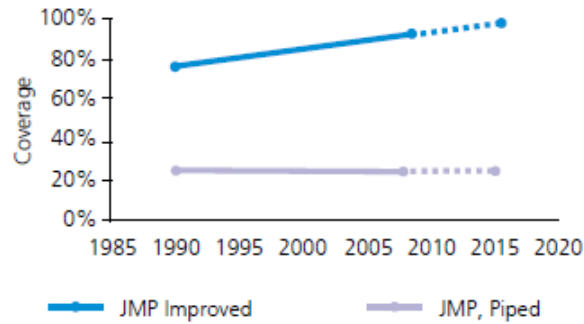
¹⁷⁹

¹⁸⁰ The *affermage* model transfers operation of the utility to a private operator while investment remains a government responsibility.

¹⁸¹ Philippe Marin, Esther Loening, and Jan Drozd, "Subsidizing Water Connections in Cameroon: How to Apply Output-Based Aid to an *Affermage*," *OBApproaches, Note Number 34* (2010).

¹⁸² WSP, "Water Supply and Sanitation in Cameroon: Turning Finance into Services for 2015 and Beyond," (Nairobi: Water and Sanitation Program—Africa Region, 2011).

Figure 25: Urban water supply coverage



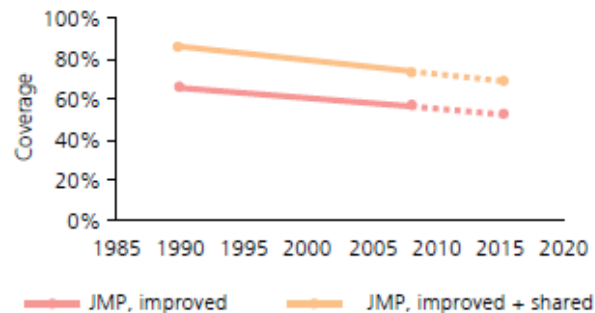
Source: WSP, 2011, Fig. 14, p.22¹⁸³

Sewerage

Urban sanitation is the responsibility of two well-defined institutions—the lease contract between the State, Camwater and CdE delegates the operation and management of sewerage and stormwater drainage systems to the latter two. However, Camwater and CdE are currently not active in this area, and have neither carried out an inventory of existing facilities nor monitor the access rate.¹⁸⁴

Access to improved sanitation in urban areas regressed between 1990 and 2008, decreasing from 65% to 56%, according to the JMP. At this rate, as shown in Figure 26, Cameroon will not achieve the MDG target (7.C) of halving the proportion of the population without sustainable access to basic sanitation by 2015. This is due to the very high population growth that the two major cities, Douala and Yaoundé, in particular, have experienced and the minimal funding allocated to the subsector.

Figure 26: Urban sanitation coverage



Source: WSP, 2011, Fig. 22, p.26¹⁸⁵

Indeed Cameroon has a very limited sewerage system, which has seen no investment in recent years. For example, the minimal 5 km sewerage network in Douala was constructed before independence in 1960 and no longer functions. While SIC has since built some small sewer systems under its housing development projects, which, in theory serve 60,000 people (or 0.6% of the urban population), many of these are, in practice, no longer operational. A number of other small-scale pilot projects have however recently been initiated. The private sector has invested in some 70 sludge collectors in Yaoundé and Douala, while donors have financed small condominial systems in Douala, Bertoua, and Edea.¹⁸⁶

¹⁸³ Ibid.

¹⁸⁴ Ibid.

¹⁸⁵ Ibid.

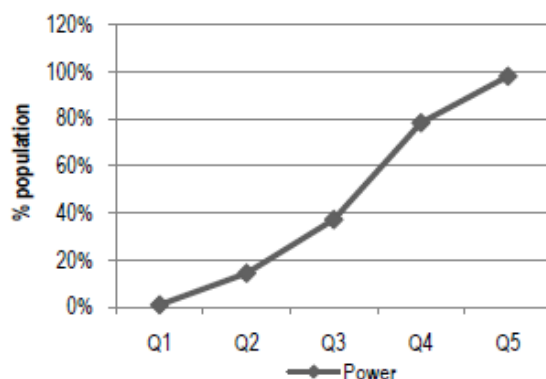
¹⁸⁶ Dominguez-Torres and Foster, "Cameroon's Infrastructure: A Continental Perspective."

Electricity

In 1988, the electricity sector in Cameroon was liberalized. This led to the privatisation of the state power company, Société Nationale d'Electricité (SONEL), whereby the US-based AES Corporation acquired 56% of SONEL to create AES Sonel in 2001, and was granted a 20-year monopoly over generation, transmission and distribution in the concession area. AES Sonel has the right to own up to 1,000 MW of installed generation capacity, and manages over two thirds of the electric infrastructure.¹⁸⁷

Access to electricity has steadily improved over the past two decades. National access increased from 37% in 1996 to 46% in 2002, and to 48% in 2007. An estimated between 65% and 88% of urban dwellers have access to electricity. At 88%, access to electricity in urban areas is greater than in most SSA countries; but only about 14% of rural dwellers have access, which is about half the level in comparable countries.¹⁸⁸ The majority of households with access to electricity are in the top quintiles of the income distribution, as shown in Figure 27. Poorer households, especially those living in informal settlements, are not connected to the electricity grid. Indeed, almost one in two households in Yaoundé and Douala are not directly connected to electricity.¹⁸⁹ This inequitable distribution means that any price subsidy will almost definitely be regressive, as is common in SSA countries for both electricity and water.¹⁹⁰

Figure 27: Prevalence of connection to power grid among population, by income quintile



Source: Dominguez-Torres and Foster, 2011, p,43

Despite recent increases in generation capacity, power generation is still expensive in Cameroon, making the cost of electricity among the highest in SSA.¹⁹¹ Electricity tariffs are established at national level by a joint decision of the Ministry of Energy and the Ministry of Trade in agreement with AES-Sonel and the Electricity Regulation Board (ARSEL). The actual cost for electricity for each household is determined by the overall consumption and the subscribed tariff.¹⁹²

¹⁸⁷ Bernard Krief Consultants, "Cameroon," (n.d.); Lighting Africa, "Policy Report Note: Cameroon," (Washington, DC, 2012).

¹⁸⁸ Dominguez-Torres and Foster, "Cameroon's Infrastructure: A Continental Perspective."

¹⁸⁹ Andrew Ako Ako et al., "Access to potable water and sanitation in Cameroon within the context of Millennium Development Goals (MDGs)," *Water Science and Technology* 61, no. 5 (2010).

¹⁹⁰ Dominguez-Torres and Foster, "Cameroon's Infrastructure: A Continental Perspective."

¹⁹¹ Ibid.

¹⁹² The tariffs are standardized throughout the day, but there are two seasonal variations—prices are higher during the dry season compared to the rainy season. The price for average voltage is distinguished in two billing periods: peak-hours (between 6–11 pm) and off-peak hours. GTZ, "Renewable Energies in West Africa: Regional Report on Potentials and Marktes – 17 Country Analyses," (Eschborn: Deutsche Gesellschaft für technische Zusammenarbeit (GtZ) GmbH, 2009).

Roads

As in most SSA countries, the development of the road network in Cameroon has not kept pace with the rapid pace of urban growth; and it is in very poor condition. Only 10% of the approximately 50,000 km national road network is paved.¹⁹³ Despite significant levels of funding, inadequate maintenance and under optimization of the life cycle of road assets have led to the condition of the country's classified paved road network being worse than that of peer countries.¹⁹⁴ The fast increasing vehicular traffic has further degraded the poorly maintained roads in most cities and towns. Access roads in most informal settlements are inadequate in all aspects, including distance, width and surface quality. This is also the case in many of the areas where private real estate agents have purchased and subdivided land into plots and then sold to individuals for housing development.

However, in the MINDUH 2009 Budget Execution Report, the Minister affirmed that contracts had been awarded for projects financed with Road Fund resources spread across some thirty cities and towns for a total amount of over 5.5 billion FCFA (about US\$ 11.5 million). The projects were mainly for routine maintenance of paved or earth/murram urban roads. The Minister further affirmed that the rehabilitation of road networks shall be pursued and intensified in all cities and towns.¹⁹⁵

The Government's medium and long-term strategic guidelines articulated in the GESP aim to expand the tarred road network from 10 to 17% by 2020, in line with the Road Master Plan and sector strategy. Road maintenance will also be carried out, as well as rehabilitation of the existing road network, with the latter taking into account the advanced state of degradation of paved roads—48% of the 5,000 km are in poor or bad conditions.¹⁹⁶ The proposed programmes to achieve this objective, which are detailed in the GESP Sector Strategies Matrices, include maintenance of existing urban roads, as well as construction of new urban road infrastructure.¹⁹⁷

C. Site Layout

Law No. 2004/003 of 21 April 2004 governing urban planning in Cameroon sets out the general rules for planning, urban development and construction. Article 25 underlines the intent of the State to manage urban development, asserting that the urban planning documents—the urban master plan; land use plans; sector plans; and summary master plan—will control land use, and also, among other things, meet present and future needs in terms of land for housing and public facilities.

The Third GPHC found that 44.8% of households live in dwellings built in geologically and environmentally hazardous locations.¹⁹⁸ This is despite the fact that it is prohibited by law and urban planning regulations to build on land prone to natural disasters—flooding, erosion, landslides, earthquakes, etc.—or environmentally protected areas as defined by the legislation on environmental management, without permission.¹⁹⁹ The steady encroachment of households onto such high risk sites,

¹⁹³ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020."

¹⁹⁴ Dominguez-Torres and Foster, "Cameroon's Infrastructure: A Continental Perspective."

¹⁹⁵ MINDUH, "2009 Budget Execution Report," (2010).

¹⁹⁶ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020."

¹⁹⁷ Republic of Cameroon, "Growth and Employment Strategy Paper: Sector Strategies Monitoring Matrices," (Washington, D.C.: International Monetary Fund, 2009).

¹⁹⁸ BUCREP, "3^e RGPH Volume II - Tome 05: Caractéristiques de l'Habitat et Cadre de vie des Populations."

¹⁹⁹ Article 9(1) of Law No. 2004/003 of 21 April 2004 governing planning in Cameroon.

which is threatening environmental stability, is predominantly characterized by semi-permanent and temporary housing structures built with materials such as old corrugated iron sheets, wooden boards and discarded metals. However, there are also permanent housing structures built with concrete blocks, but for which the owners cannot get a construction permit because they do not have title to the land.²⁰⁰

An aerial view of the Yaoundé cityscape will reveal a juxtaposition of formal middle and high-income residential neighbourhoods (Bastos, Koweit City, Santa Barbara); low and mid-density residential neighbourhoods (Biyem-Assi, Cité Verte, Camp SIC Mendong, Nlongkack); and high-density low-income informal settlements (Mvog-Ada, Mvog-Mbi, Briqueterie, Nkol-Eton).²⁰¹ While both upper and lower income housing areas have developed on hills slopes in and around the city, the latter have also developed on the low-lying and marshy wetland areas, on which many poor households also practise urban agriculture. In Douala, thousands of households have settled in and around the mangrove swamps, destroying the mangrove ecosystem and endangering biodiversity.²⁰²

As the land has been declared by the State as inappropriate for development, it falls under national ownership, as explained above. However, some local residents, who have illegally occupied these areas and built housing for their own occupation or for rent, have also for some years been selling plots in these areas to incomers. The acquisition of such land is typically through informal agreements.²⁰³ The cost of a square metre of land in hilly and marshy areas in Yaoundé is very affordable for many, ranging from as little as 1,000 to 3,000 FCFA per square metre (about US\$ 2 to 6). The selling of such land is in total disregard of the law that the State has applied by taking the lands into national ownership for the reasons described above. Indeed, some unscrupulous customary owners sell their land while knowing full well that they have been appropriated by the State and that procedures for compensation are under way.²⁰⁴ These informal tenure systems have led to irregular and uncontrolled land subdivisions and loss of revenue due to local authorities; and, furthermore, threaten environmental sustainability. This is clearly evidenced in a study of land tenure and land use dynamics in Limbe city.²⁰⁵ Both CUY and CUD are however planning to demolish all illegal structures built in these areas.

Law No. 74-1 of July 1974 related to land tenure and Decree No. 2005/481 of 16 December 2005 setting out the conditions for obtaining land title are currently being reviewed in order to adapt the legislation to the evolving socioeconomic and cultural context. The new legislation aims to facilitate access to land for poor, landless and disadvantaged people.

²⁰⁰ UN-Habitat's Urban Indicators Guidelines state that "Even though some houses may be built with materials classified as durable, the dwellers may still not enjoy adequate protection if they are located in hazardous areas" (p.30).

²⁰¹ Antoine Socpa, "New Kinds of Land Conflict in Urban Cameroon: The Case of the 'Landless' Indigenous Peoples in Yaoundé," *Africa* 80, no. 4 (2010).

²⁰² Antoine Justin Eyebe et al., "Integrating Biodiversity Conservation into National Development Policy: A case study of Cameroon," *PCLG Discussion Paper No. 09* (London: Poverty and Conservation Learning Group (PCLG), 2012).

²⁰³ Emmanuel M. Nyambod, "Environmental Consequences of Rapid Urbanisation: Bamenda City, Cameroon," *Journal of Environmental Protection* 1, no. 1 (2010).

²⁰⁴ Socpa, "New Kinds of Land Conflict in Urban Cameroon: The Case of the 'Landless' Indigenous Peoples in Yaoundé."

²⁰⁵ Balgah Sounders Nguh, "Land Tenure and Land Use Dynamics in Limbe City, South West Region of Cameroon " *Agriculture Science Developments* 2, no. 3 (2013).

D. Design

Law No. 2004/003 of 21 April 2004 established a framework for regulating urban planning and development throughout the country, which was further elaborated in Decree No. 2008/0739/PM of 23 April 2008, which sets out the rules for land use and construction.²⁰⁶

According to *Business in Cameroon*, Cameroon currently has 4,500 building construction norms, which cover a wide scope, including building materials, with the aim of ensuring structurally safe and environmentally sound buildings. Some of these norms are already obligatory and, according to the National Agency for Standards and Quality (ANOR), efforts are underway to homologate 12,000 norms by 2015, of which at least 4,000 will cover public buildings. Thirty (30) norms are already being applied in the construction of the 10,000 housing units under the Government's flagship project.²⁰⁷

Anyone wishing to undertake construction of any kind, even if it has no foundation, must first obtain a building permit issued by the municipality concerned. The items potential housing developers must submit as part of the building permit application dossier include an estimate of the total cost of the proposed building. The cost of approving the plan is computed as a percentage of the estimated cost. Building permits are charged at a rate of 1% of the estimated cost, as provided for by law.²⁰⁸ Thus a building permit for a villa with an estimated construction cost of 50,000,000 FCFA (US\$ 104,384) will cost 500,000 FCFA (US\$ 1,044). Proof of ownership of the land through land title is also required, as well as architectural plans signed by a licensed architect or engineer, in accordance with the plot size and the urban development master plan. Architectural services for a standard house can cost as much as 500,000 FCFA—which many cannot afford, and therefore depend on a builder for both the design and construction of the house. Table 22 summarizes the procedures, time and costs for obtaining a construction certificate for a warehouse in Douala.

The 3rd GPHC does not give any figures for the number of buildings with construction permits; but it states that 2nd GPHC, conducted in 1987, revealed that only about one in four (23%) of urban owner-occupiers had a title for their land, and that it was likely that an even smaller number had building permits. This, it affirmed, reflected the vulnerable nature of these private investments and their limitations in terms of quantity and especially quality. According to the Groupe Huit study, less than 3% of housing developments follow the legal process—which includes both private real estate developers and individuals who build their own houses through self-construction.²⁰⁹

The process for obtaining a construction permit has been made easier through decentralization and the introduction of time limits for processing applications and issuing certificates of conformity. But at the same time, it has been made more complex by introducing notification and inspection requirements.²¹⁰

²⁰⁶ Article 2 lists the administrative acts relating to land use and construction, which are: Certificate of Urbanism; Permission to subdivide; License to implement; Building Permit; and Permit to demolish.

²⁰⁷ <http://www.businessincameroon.com/public-management/0910-4348-cameroon-has-4-500-building-norms>. The 30 norms include norms on geodesic and other technical studies, as well as on sand, gravel and concrete blocks.

²⁰⁸ Law No. 2009/019 of 15 December 2009 on Local Fiscal System (Article. 87-90) allows councils to collect revenue through taxes, fees, and user charges.

²⁰⁹ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l'Habitat Social au Cameroun."

²¹⁰ World Bank, "Doing Business 2014: Economy Profile: Cameroon," (Washington, DC: World Bank, 2013).

Table 22: Summary of procedures for dealing with construction permits in Cameroon —and the time and cost²¹¹

No.	Procedure	Time to complete (days)	Cost to complete (FCFA)
1	Obtain a recent proof of land ownership A recent proof of land ownership or property certificate can now be obtained from MINH DU. This was previously obtained from the Land Registrar (Service des domaines). Although the official fee is 20,000 FCFA, applicants often must pay an informal fee to obtain the certificate.	15	6,000
2	* Obtain a location plan from the cadastre The location map as well as the ground plane must be approved by the Cadastre.	10	100,000
3	* Obtain a certificate of urban planning The Planning certificate (Certificat d'Urbanisme) provides information whether this land can be used to build the intended project. It also gives the total surface that the intended building will occupy; shows if there are some easements on this land and if all utilities (water, electricity and sanitation) are already there; and provides the construction procedure.	10	16,200
4	* Obtain geo-technical assessment For the geotechnical assessment, the services of a professional certified company are requested. Upon completing soil analysis, the company produces and signs a report, a copy of which will be included in the building permit application. The permit fee is negotiable.	02	1,200,000
5	Receive on-site inspection by the Douala Urban Council This inspection takes place before the building permit approval.	01	15,000
6	Obtain building permit To obtain a building permit, four copies of each of the following documents must be submitted: • Application (forms provided by the Urban Council, and duly stamped). • Certificates of ownership • Certificates of urban planning (Certificat d'urbanisme) • Block and location plans (plan de situation et plan de masse) • Site, foundation, roofing, view or elevation, and septic tank plans • Descriptive estimates. All plans must be signed by an architect accredited by the National Order of Architects (ONAC). The company hires a structural engineer, accredited by the National Order of Structural Engineers, to develop a structural design that then serves as the execution plan. Because the engineer signs this document, it is not modifiable without his express consent. Although an 1,000 FCFA application fee is payable upon submission, the building permit fee is paid upon permit approval. The official time limit for permit approval is 90 days. Afterwards, the silent-is-consent rule applies.	30	3,902,800
7	Notify the City Hall (Mairie de Douala) of commencement of work Under the new Decree N°2013/0042/PM of January 2013, it is now mandatory to notify the City Hall of the commencement of construction work.	01	No charge
8	Receive inspection to verify the location (implantation) The Technical Committee must then inspect the site and issue a report (Proces Verbal).	01	No charge
9	Apply for the Certificate of conformity Under the new Decree N°2013/0042/PM of January 2013, the owner of the newly constructed warehouse, must apply for a Certificate of conformity with the City Hall (La Mairie de Douala).	01	No charge
10	Receive joint inspection from the Commite Consultatif The Technical Committee must then inspect the site and issue a report (Proces Verbal).	15	No charge
11	Obtain Certificate of Conformity Once the final inspection is completed, a signed report is delivered by the Advisory Committee and the certificate will be signed by the Mayor, once the record is issued.	21	No charge
12	* Request and obtain water connection	74	400,000
13	* Request and obtain phone connection	15	300,000

* Takes place simultaneously with another procedure.

Note: Online procedures account for 0.5 days in the total time calculation.

Source: After World Bank. "Doing Business 2014: Economy Profile: Cameroon." Washington, DC: World Bank, 2013.(pp.28-30)

²¹¹ These procedures, times and costs are those that apply to a company wishing to build a warehouse valued at 390,180,000 FCFA in Douala.

The design and construction of many of the houses in urban areas, including in informal settlements, is aimed at making them better suited to the local climate and environment. Hence, for example, in Douala, which has a hot and humid climate, 52.6% of buildings have walls built of wooden boards/planks; 34.4% have walls built of hollow concrete blocks, and 13% have walls built of other materials like stones, brick of earth. The first two building materials are especially suited to the climate, in terms of thermal comfort, which would suggest not only a cost-saving, but also a design strategy.²¹²

Many homeowners also take measures to protect their houses against weather events such as storms and floods. For example, a study of the coastal region—which cuts across South, Southwest and Littoral regions—found that, on average, the residents had spent 145,500 FCFA (US\$ 303) in the preceding five years on flood mitigation measures, including reinforcing parts of their homes and compounds at an average cost of 83,000 FCFA (US\$ 173).²¹³ However, despite these measures, residents reportedly spent on average 243,000 FCFA (US\$ 507) in repairs after extreme climatic events.²¹⁴

Social housing

The design and implementation of the Government's flagship housing project a guided by a legal and regulatory framework that includes standards for social housing laid down in a 2008 Ministerial Order,²¹⁵ and summarily presented in Box 9. Article 18(2) gives scope for the use of local building materials, including those that MIPROMALO is promoting; but this opportunity has not been exploited.

In October 2013, ANOR convened a workshop to enable key stakeholders (government, real estate companies, developers, contractors, etc.) to deliberate on the formulation of 30 priority standards for the implementation of the vast low-income construction project to be executed by Chinese companies. The Chinese Programme Specialised Technical Committee (CTS-PC), which was officially launched during the workshop, will be responsible for the formulation of the standards. Once established, the standards will be applied in the afore-mentioned programme and also future low-income housing projects.²¹⁶

Cameroon is currently in the process of reviewing its housing standards, which are a legacy of the colonial past. The new norms and standards will focus on space requirements, materials and levels of finishes so as to lower the cost of construction and make housing more affordable to the lower income groups. The review process will begin with a comprehensive study, and will be a consultative and participatory process involving all the key stakeholders in the housing sector.²¹⁷

²¹² Alexis Kemajou and Léopold Mba, "Real impact of the thermal inertia on the internal ambient temperature of the building in the hot humid climate: Simulation and experimental study in the city of Douala in Cameroon," *International Journal of Research and Reviews in Applied Sciences* 11, no. 3 (2012).

²¹³ These included: elevating their homes (18%), reinforcing the homes (42%), elevating the furnace, water heater, and electric panel that are susceptible to flooding (28%), install "check valves" in sewer traps to prevent flood water from backing up into the drains of the home (8%), constructing barriers such as levees, beams, floodwalls to stop floodwater from entering the building (28%), and sealing of walls in basements with waterproofing compounds to avoid seepage (12%).

²¹⁴ Ernest L. Molua, "Climate and Location Vulnerability in Southwestern Cameroon: Assessing the Options and Cost of Protection to Property in Coastal Areas," *CEEPA Discussion Paper No. 46* (Pretoria: Centre for Environmental Economics and Policy in Africa (CEEPA), 2010). For reasons of expediency, the study was limited to Fako Division in the Southwest region.

²¹⁵ Section Two of Order No. 009/E/2/MINDUH of 21 August 2008 sets out standards for social housing and stipulates the standards for housing units.

²¹⁶ Business in Cameroon, "Standardisation of low-income housing launched in Cameroon," *Business in Cameroon* June 2014, no. 17 (2014).

²¹⁷ Interview with Norbert Hinma, Director, Department of Architecture and Housing Standards, MINHDU on 15/05/2014. The Terms of Reference for the study have already been prepared, and the process will begin once funding is available.

Box 9: Standards for social housing units

Article 16: (1) A social housing project must have a minimum of twenty five (25) housing units. These can be individual or collective buildings, isolated, combined or groups of three (3) units maximum.

(2) They must all be accessible at least by a walkway.

Article 17: The height of apartment blocks may not exceed the ground floor plus four floors, i.e., a maximum height of 16 m.

Article 18: (1) Construction of social housing must be with approved durable materials.

(2) A list of approved materials will be published as required by joint decision of the Ministers in charge of housing and standards.

Article 19: The developer must provide parking at a distance of 300 m from the housing unit.

Article 20: (1) The maximum density per hectare must be 50 units. Accommodation comprises main rooms (living room and bedroom) and service rooms (kitchen and bathroom).

(2) Each housing unit must have a minimum area of 60 m² and comprise at least two (2) bedrooms, a lounge, a kitchen and a bathroom.

(3) Each main room must have a minimum useful surface area of 12 m².

Article 21: The load factor and footprint must comply with the requirements of the specifications previously approved by the Administration competent in the matter.

Source: Order No. 009/E/2/MINDUH of 21 August 2008

E. Risk Assumption

Housing development and ownership are risky endeavours where assumptions and decisions must be made—in particular with respect to return on investment in the case of private developers, and security of investment in the case of self-builders who construct their homes through the informal incremental process described in Section 2.B and illustrated in Figure 22. In both cases, access to finance is a critical element in the housing chain.

Housing finance in Cameroon is however very limited. Total housing loans represent less than 0.5% of GDP, which is similarly the case in the five other member countries of the Economic and Monetary Community of Central Africa (CEMAC)²¹⁸—Central African Republic, Chad, Congo, Equatorial Guinea and Gabon.²¹⁹ The main sources of formal housing finance for developers, individual house builders and buyers are CFC and a few commercial banks, which generally provide loans with a maximum maturity of seven years. Some microfinance institutions (MFIs) also provide loans for housing-related needs, but do not specifically offer housing microfinance (HMF) or other housing finance products.²²⁰

As explained in Section 2.D, CFC's corporate purpose is to provide financial and expert support to social housing projects and real estate development in general; and it is the main source of finance for private developers. However, a major challenge faced by CFC relates to the risk involved in granting loans to real estate developers. According to a senior official, CFC has bad loans amounting to over 10 billion FCFA (approximately US\$ 21 million), a significant proportion of which are due to real estate agents registering their companies as property development companies in order to access a larger loan, and then dissolving the company once they have been granted the loan.²²¹

²¹⁸ Florence Charlier and Charles N'Cho-Oguie, "Sustaining Reforms for Inclusive Growth in Cameroon : A Development Policy Review," (Washington, DC: World Bank, 2009).

²¹⁹ CEMAC was established to promote sub-regional integration through the formation of a monetary union, with the Central African CFA Franc (FCFA) as a common currency. Its headquarters are in Bangui, the capital of the Central African Republic..

²²⁰ Charlier and N'Cho-Oguie, "Sustaining Reforms for Inclusive Growth in Cameroon : A Development Policy Review."

²²¹ Interview with senior CFC official on 14/05/2014 (who requested anonymity).

In the Government's social housing programme, the financial risk is again borne by CFC. As explained in more detail in Section 4.F, CFC is able to offer loans to eligible prospective homeowners at very low interest rates (5-10%) compared with the interest rates charged by banks (approximately 22% exclusive of taxes). Still, to minimize the risk of default, only salaried individuals with a stipulated minimum income are eligible; and there are also collateral requirements as shown in Table 25 and Table 26.

The foreign companies that have entered into joint venture (JV) housing development projects with the Government, as described in Section 2.B. have good knowledge of the local housing market and a positive attitude towards risk-assumption. Despite the JV projects being social housing, it is the expected profit that is the motivating force behind their putting their capital at risk in these public-private partnerships. Furthermore, the programme has a coherent offtake strategy, explained in Section 3.G below, to minimize risk.

Construction and completion risks are related to the construction period of a project and may consist of input availability risk, contractor performance risk, cost overrun risk, lateness risk, and force majeure risk.²²² A number of these risks have materialized in the course of implementation of the Government's social housing programme at the project sites in Douala and Yaoundé. This is owing in large part to the adverse implications of engaging 36 local SMEs/small and medium contractors to build 1,675 of the housing units, as explained in Section 3.F.

A study of project risk in urban self-building in Cameroon identifies five major challenges as characterizing the process and having a significant impact on project risk: (i) sources of housing finance; (ii) difficulties in labour cost management, for the reasons explained below in Section 3.F; (iii) the fragmented construction process; (iv) the lack of standardization and quality control of some of the building materials; and (v) insecurity of land tenure.²²³ Individuals and households that embark on self-construction assume that they will be able to manage all the risks. However, many fail to do so, as is evidenced by cost overruns, stalled and, in some cases, abandoned projects.

F. Construction

Construction is a very important development activity in any country, including Cameroon. In addition to its basic role of providing infrastructure and housing, the construction sector contributes to the GDP and plays an important role in employment creation. In 2013, the construction sector accounted for 6.0% of GDP in Cameroon,²²⁴ up from 5.7% in 2011,²²⁵ while the major Government construction projects created 3,030 jobs in 2012, and 6,923 jobs in 2013. According to Ministry of Employment and Professional Training forecasts, approximately 16,000 jobs are available to Cameroonian nationals through Government projects.²²⁶

²²² http://immara.com/index.php?option=com_content&view=article&id=79&Itemid=77.

²²³ Marcelline Blanche Manjia, Georges E. Kouamou, and Chrispin Pettang, "Labor cost modeling to reduce project risk in urban self-building in Cameroon," *Fusing Decision Support Systems into the Fabric of the Context*, ed. Ana Respício and Frada Burstein (2012).

²²⁴ Richard-Antonin Doffonsou and Lisa Simrique Singh, "Cameroon 2014," *African Economic Outlook* (2014).

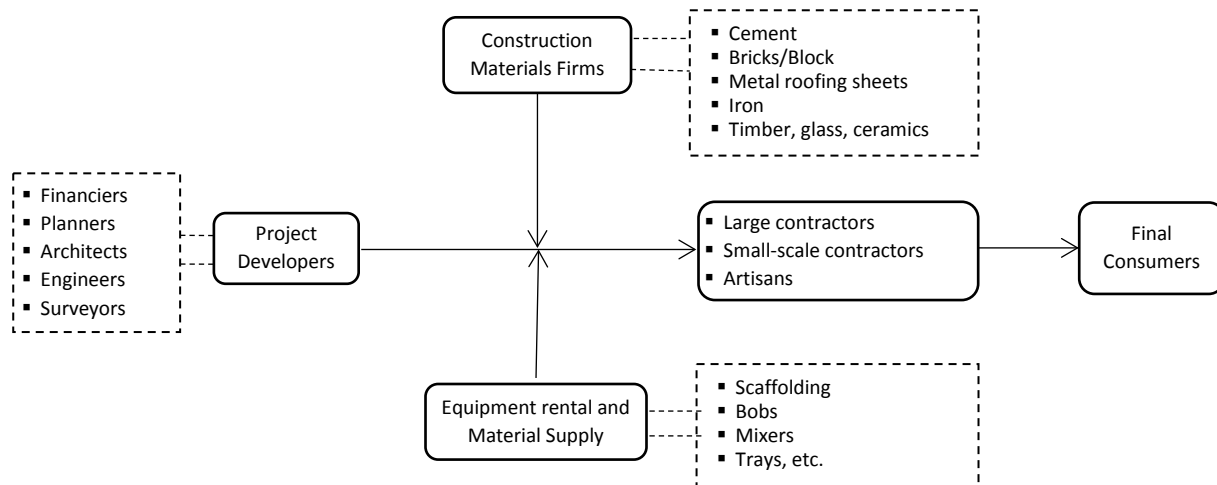
²²⁵ AfDB, "Cameroon 2007."

²²⁶ Business in Cameroon, "Construction creates 9,953 jobs in Cameroon, according to Minister Zacharie Pérévet," *Business in Cameroon* April 2014, no. 15 (2014).

Main players

Figure 28 presents a simplified model of interactions among the main players in the construction industry in Cameroon. Value creation within the sector involves project developers; contractors, both large and small-scale; building material supplier; and construction equipment rental firms. The various players are active in both the formal and informal construction sector.

Figure 28: Construction industry players



Source: After Nhabinde et al., 2012²²⁷

Building materials

Cameroon has a number of facilities and factories for the production of a range of building materials, including cement, metal roofing sheets and timber. Sand and quarry stone are available in all of the regions, as are the materials used in the production of bricks, fired or unfired.²²⁸

Cimenteries du Cameroun (CIMENCAM), a subsidiary of the French group Lafarge, has enjoyed a monopoly in Cameroon's cement industry for over 40 years. CIMENCAM has two clinker grinding plants; one in Douala with an annual production of 1,600,000 tons and the other in Figuil in the North Region which produces 100,000 tons per year. CIMENCAM has begun construction works for a new plant on the outskirts of the capital, Yaoundé, to supply the Central, Southern and Eastern regions of the country.

Government efforts to increase domestic cement production have seen supply increase from 1.6 million to an estimated 2.2 million metric tons, of which 7% is exported in the EMCCA area, leaving a shortfall of 1.8 million metric tons. The government has therefore liberalized the importation of cement, whereby an estimated about 500,000 metric tons of cement are imported.²²⁹

In February 2013, the Government signed an agreement with G Power Cement, a Korean company, to establish a factory in Limbe, in the South-West Region. The cement factory will produce between 800,000 and one million tonnes of cement annually and employ several hundred people. Production is

²²⁷ Vasco Nhabinde, Constantino Pedro Marrengula, and Amosse Ubisse, "The Challenges and the Way Forward for the Construction Industry in Mozambique," (Maputo: International Growth Centre Mozambique, 2012).

²²⁸ François Bambou, "The Cost of Construction," *Business in Cameroon*(2012), <http://www.businessincameroon.com/real-estate-and-constructions/2701-2954-the-cost-of-construction>.

²²⁹ Valentine Mulango, Cameroon: First Bags of Dangote Cement Expected in August, Cameroon-Info.Net, July 2, 2014. <http://www.cameroon-info.net/stories/0,61974,@,cameroon-first-bags-of-dangote-cement-expected-in-august.html>

expected to begin by 2015.²³⁰ In addition to increasing the supply of cement, this will reduce transportation costs which contribute significantly to the overall cost of a bag of cement.

Nigeria's Dangote Group, through its subsidiary Dangote Industries (Cameroon) Ltd., is also constructing one of the most modern cement plants in SSA, at a cost of US\$ 115 million, following an agreement with the Government to produce cement for distribution in Cameroon. The plant will have an annual production capacity of 1.5 million metric tonnes and is expected to begin operations in August 2014.

The Edea-based Cameroon Aluminium Smelting Company (ALUCAM)—in which both Rio Tinto Alcan and the Government have 46.67% ownership while the rest is divided between AFD (5.6%) and employees (1.1%)—is active in aluminium transformation through two subsidiary companies. One of them, SOCATRAL, processes aluminium into semi-finished corrugated roofing sheets, and has a yearly production capacity of 30,000 tones. With a total annual production capacity of 95,000 tonnes, ALUCAM contributes 3% of the secondary sector GDP, and creates 1, 000 direct and 1, 300 indirect jobs.²³¹

In January 2013, the Government signed a MoU with Société les Aciéries du Cameroun to build a steel processing factory to produce iron rods and other finished-products from locally mined iron ore. The about 30 billion FCFA investment (about US\$ 63 million) is expected to create about 1,200 jobs. The foundation stone of another steel company, Guff Steel Industries, was laid in Ombé in the South West Region on 20 July 2012.²³²

Table 23 shows the cost of commonly used building materials in Cameroon; and that prices have been increasing over the years. While the increases have not been as drastic as in some other SSA countries, the prices are still unaffordable for most poor households—hence the continued prevalence of housing structures built with semi-permanent and temporary materials in many urban informal settlements.

The most widely used material for wall construction, in both urban and rural areas, is hollow concrete blocks. Their widespread use can be attributed, in large part, to the French colonial and neo-colonial control and influence over the building materials sector and aggressive promotion of their use, at the expense of local building materials.²³³ The scale of production ranges from large scale factory production of several concrete block products to small-scale on-site production of hollow concrete blocks of varying sizes by skilled and unskilled labourers. In the case of the latter, quality varies considerably as there is no system of quality control; hence on-site producers sometime produce blocks of extremely poor quality. This has led to the collapse of a number of residential and commercial buildings under construction.²³⁴

Artisans and unskilled labourers also produce a number of other building materials and components, including compressed earth blocks, fired bricks, doors, windows, etc., with no specific standards or system of quality control. The products therefore vary considerably in quality and performance.

²³⁰ <http://allafrica.com/stories/201302180913.html>

²³¹ Cameroon Tribune - edition of March 17, 2011. <http://caa-cam.org/wdm410/www/index.php?pid=317>

²³² Business in Cameroon, "Fokou Bernard to set up a steel processing company in Cameroon," *Business in Cameroon* February 2013, no. 1 (2013).

²³³ Interview with Prof. Uphie Melo, Director, MIPROMALO on 23/05/2014.

²³⁴ For example, as a rule of thumb, 35 blocks of size 150 x 200 x 400 mm should be produced from a 50 kg bag of cement. However, some informal small-scale, on-site producers will mould as many as 80 blocks from one bag, resulting in blocks of extremely low quality and structural strength.

Table 23: Costs of some basic building materials in Cameroon

Item	Prices (in FCFA)				(US\$)
	1986	1994	2007	2014	2014
Ordinary cement (50 kg)	2,200	3,400	4,700	4,960	10.4
White cement (25 kg)	4,800	5,200	6,000	6,800	14.2
Lorry load of sand (6 tonnes)	–	–	65,000	75,000	156.6
Lorry load of stones (6 tonnes)	–	22,000	23,000	30,000	62.6
Cinderblock (15 cm)	–	–	200	250	0.5
Corrugated sheets (0.35 X 3.0 m)	2,400	3,500	6,700	7,000	14.6
6 mm diameter iron reinforcement bar	700	950	1,400	2,000	6.3
8 mm diameter iron reinforcement bar	1,600	2,100	3,200	2,400	5.0
10 mm diameter iron reinforcement bar	2,150	3,200	4,800	5,300	11.1
12 mm diameter iron reinforcement bar	–	3,700	5,950	7,400	15.4
Bag of plaster	5,500	8,300	10,000	–	–
Pantex painting 800 (30 kg)	28,000	36,000	42,500	47,000	98.1
Angle 50 X 50	4,700	8,500	12,000	13,500	28.1
Nails (5kg bag)	–	–	3,800	4,500	9.4

Source: Mougoué and Togue Djuidje (2010)²³⁵ and fieldwork

Fired earth materials production—bricks, fired roofing and floor tiles—has experienced serious drawbacks that led to decline of the technology; but they are once again being used by some private developers. However, as they are not produced on an industrial scale, they have not been widely used in housing construction. MIPROMALO is thus promoting their use, with the aim of industrializing the sector, and as part of its wider effort to promote sustainable low-cost housing.

A SWOT analysis of the residential building construction industry in Cameroon by Business Plan International identifies the following strengths, weaknesses, opportunities and threats:²³⁶

- Strengths: high profits
- Weaknesses: -high loan rates; low investments in research and development; low productivity.
- Opportunities: growth rates
- Threats: technological problems: rising cost of raw materials; external business risks; price changes; -high competition

The new housing policy addresses some of the weaknesses and threats. MINH DU and MIPROMALO are also working to directly address the same.

Government social housing programme

As mentioned above, the Government social housing project is intended to incorporate a number of aspects of the new housing policy, including the following:²³⁷

- promoting the use of local materials through research, creation and diversification of industrial units manufacturing local materials;
- building the capacity of local SMEs, in particular local contractors

²³⁵ Benoît Mougoué and Bibiane Togue Djuidje, "Politiques publiques et problématique de l'habitat à Yaoundé," *International Journal of Advanced Research in Africa* 1, no. 3 (2010).

²³⁶ <http://swot.businessplaninternational.com/building-construction-industry-swot/8333-swot-analysis-residential-building-construction-in-cameroon.html>

²³⁷ Republic of Cameroon, "Programme Gouvernemental de Construction de Logements Sociaux au Cameroun."

- encouraging technology transfer to build mass housing at favourable costs;
- promoting labour-based methods in the implementation of social housing programmes.

In line with the new housing policy, 36 local SMEs/small and medium contractors have been engaged to build 1,675 of the housing units in the Government's flagship project in Douala and Yaoundé,²³⁸ but this has a number of adverse implications:

- Relatively high transaction costs related to bidding, procurement and contract administration;
- Decreased opportunities to limit waste and reduce costs through supply chain aggregation, volume purchases, etc.
- Increased levels of management and coordination of activities on site, related to a large number of separately contracted parties;
- Extensive learning curves associated with project processes, effective team working and other aspects of collaboration.

Also in line with the new housing policy, the French company Lafarge, of which CIMENCAM is a subsidiary, is using the stay-in-place formwork technique at a highly innovative building site in the government's social housing programme site in Yaoundé. The process is easy to use, fast and economical. Through CIMENCAM, Lafarge has supplied 40,000 m³ of ready-mix concrete, which has been used in the construction of the first phase of 560 housing units, which began in 2012 and is due to be completed in 2014. An extension of the project to 3,000 housing units, requiring 80,000 m³ of concrete, is expected to start in 2014.²³⁹

Challenges

The self-construction/autopromotion approach to housing construction faces a number of challenges. They include: unreliable financial resources; lack of effective monitoring and control of work; the poor qualification and instability of the labour; prevalence of odd jobs executed by unskilled and semi-skilled labourers; and the use of materials and equipment acquired through unregulated and dubious means.²⁴⁰

Indeed, there is a significant lack of skilled building trade professionals such as masons, carpenters, plumbers, electricians, plumbers, painters, etc., which varies from one region to another, but is most acute in rural areas. This poses serious challenges for the construction of good quality, cost effective housing.²⁴¹ However, MIPROMALO and APIC are working together to organize informal small contractors, builders and labourers into groups so that they can receive skills training.²⁴²

Like in most SSA countries, many building projects in Cameroon often exceed their initial labour cost. One of the reasons for labour cost overruns, especially in self-build housing, is the difficulty in computing labour cost. While prices for building materials are readily obtainable from suppliers, labour

²³⁸ Republic of Cameroon, "Press Release following the Cabinet Meeting of Thursday 26 December 2013."

²³⁹ <http://www.lafarge.com/contribute-better-cities/our-completed-projects/building-houses-fast-and-efficiently-cameroon>.

²⁴⁰ Marcelline Manjia et al., "A Decision Support Tool for Cost Mastering in Urban Self-Construction: The Case of Cameroon," *Open Construction and Building Technology Journal* 4(2011).

²⁴¹ F.H. Abanda et al., "An ontology-driven building construction labour cost estimation in Cameroon," *Journal of Information Technology in Construction* 16(2011).

²⁴² Comment by the Director, MIPROMALO on 01/08/2014.

cost is often dictated by the artisans and labourers themselves—owing to the informality of the sector and the shortage of skilled labour. Sub-par management also leads to delays in project completion.²⁴³

G. Offtake

In Cameroon, as in most other SSA countries, there is very limited offtake of housing loans and housing units, as there is very limited housing finance and most of the housing is developed by the informal sector—and more so, through self-construction. Indeed, as explained above, in the vast majority of cases, prospective homeowners use their own and/or other informal finance to build their own houses through an informal incremental process.

However, there is an offtake strategy in the Government's flagship housing programme. Housing units are advertised through a dedicated website, *Programme Gouvernemental de Construction de 10,000 Logements Sociaux et d'Aménagement de 50,000 Parcelles Constructibles*.²⁴⁴ The website provides details of the housing units for sale, including location, size and price; and also explains the application process, which is summarized in Box 10 and **Error! Reference source not found.** The website also has facilities for viewing the site location and layout plans for the different project sites, as well as the floor plans for the different housing unit types. Applicants are allowed to select the location and type of housing they want to buy. They can also indicate whether they will pay cash or through financing from CFC.

The housing units are also advertised in local newspapers and publications; as well as public notices circulated through the Cameroon embassy websites and offices in various counties abroad. The public notices make clear that a certain proportion of the houses being constructed under the programme are reserved for purchase by Cameroonians resident overseas.

SAD's website²⁴⁵ similarly gives details of the plots, houses and apartments that it has for sale, including their location, size and prices; and also provides three-dimensional views of the various house types. In addition, the website gives details on how to go about buying a plot, house or apartment.

H. Management

Much of the housing constructed by SIC for rental and tenant purchase has been poorly managed and is in a very poor state of repair owing to lack of maintenance and repair. Such housing estates can be found in several neighbourhoods in Yaoundé and Douala, as well as in Bertoua, Edea, Ebolowa, Garoua, Limbe and Maroua. For example, a study of SIC housing estates in Yaoundé found that the sewer systems were constantly blocked and the treatment plants either broken down or non-existent, thereby posing a very serious health threat.²⁴⁶

Some of the maintenance challenges facing SIC housing relate to the fact that inadequate environmental protection measures were taken when SIC housing estates were constructed in different areas of

²⁴³ Abanda et al., "An ontology-driven building construction labour cost estimation in Cameroon."; Marcelline Manjia, Chrispin Pettang, and Fonbeyin Abanda, "Urban Self-Building Labour Cost Modelling in Cameroon," *Journal of Construction in Developing Countries* 16, no. 2 (2011).

²⁴⁴ <http://www.logements.cm>, which is accessible through the MINHDU website.

²⁴⁵ www.sadcameroun.com.

²⁴⁶ Humphrey Ngala Ndi, Takem Mbi Bienvenue Magloire, and Eleno Manka Fube, "The challenges of institutional coordination in hygiene management in Sub-Saharan African cities: The Case of Yaoundé, the capital of Cameroon," *African Journal of Social Sciences* 4, no. 2 (2013).

different cities. Hence, for example, in Medong in Yaoundé, where more than 1,000 housing units were constructed in 1978, erosion and ground movements have caused a 15 metre deep gulley, resulting in significant environmental, health and safety hazards.²⁴⁷

I. Gaps and Opportunities

Urban real estate tax presents an important opportunity for tax revenue generation for municipal governments, in particular to meet the continuously increasing demand for infrastructure and housing. In Cameroon, urban real property owners and other entities benefiting from public infrastructure are required by law to pay 0.1% of the owner-declared value of the property as taxes annually. The law also levies a tax of 5% on income from rental property, which is supposed to be paid directly by the tenant of such property.²⁴⁸ However, owing to the widespread informality of urban land and housing development and tenure, municipal authorities are not able to capitalize this significant revenue potential.

Widening the tax base and more effective exercise and enforcement of legislative and regulatory mandates can increase tax revenue from the source substantially. Its implementation is however currently constrained by the challenges in property valuation, especially because the real estate market in Cameroon is under-developed. Authorities often have to rely on the valuations provided by property owners as it is difficult for them to survey and accurately value all land falling under their jurisdiction. However, Article 156 of the General Tax Code confers powers on the Government to order its own valuation if it believes that a property has been undervalued²⁴⁹

The approach adopted by the Government in the flagship social housing programme, whereby both large and small and medium contractors were awarded tenders to construct lots, shows the significant potential for collaboration between formal and informal contractors, and skilled artisans. Figure 29 illustrates how this collaboration is, in fact, being operationalized in some construction projects. As mentioned above, MIPROMALO and APIC are exploring possibilities of formalizing informal skilled artisans by organizing them into groups or teams, which can then be formalized and properly trained. They will then be able to work directly with large or medium formal contractors, eliminating the formal sub-contractors who, in many cases, are simply middle none specialized structures that increase costs in the construction industry. These groups will also enable informal skilled artisans to be trusted.

Despite the emphasis on the use of local building materials and appropriate construction technologies in Government policy and strategy documents, these are yet to be used in any of the Government social housing projects that have been, or are being implemented. This is despite all MIPROMALO's efforts, which include constructing several demonstration projects—including housing and public buildings—using local building materials to demonstrate their appropriateness and cost-effectiveness.²⁵⁰ This inertia on the part of the Government is partly because of the many layers of bureaucracy. This is not only affecting new thinking and innovation in the housing sector, but in other sectors, such as energy, as

²⁴⁷ Benjamin Ngounou Ngatcha, Georges Emmanuel Ekodeck, and Perpétue Espérance Ntana, "Urban development and natural hazards, Case of ground movement in SIC estate at Mendong (Yaoundé - Cameroon)," *RMZ - Materials and Geoenvironment* 50, no. 1 (2003).

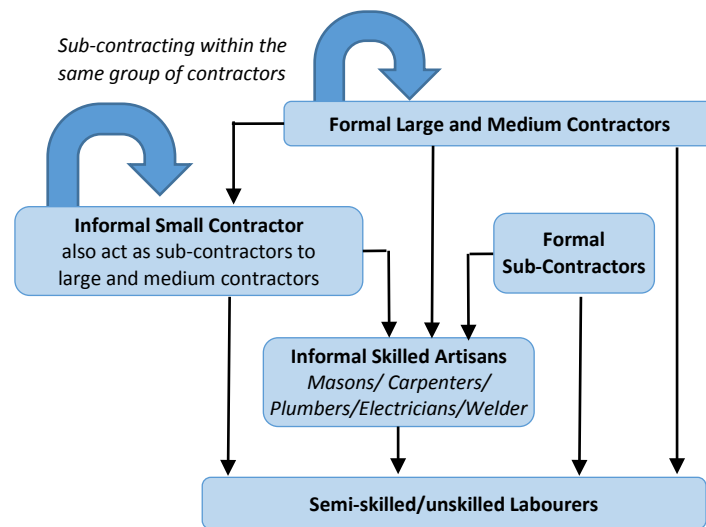
²⁴⁸ Sunday Khan, "Constraints and Opportunities for Mobilising Domestic Resources in Africa: The Case of Cameroon," (Ottawa: North-South Institute (NSI), 2010); Njoh, "The validity of owner-reported property cost as a measure of property values in a developing real estate market, Cameroon."

²⁴⁹ Khan, "Domestic Resource Mobilization in Sub-Saharan Africa: The Case of Cameroon."

²⁵⁰ Interview with the Director, MIPROMALO on 23/05/2014.

well.²⁵¹ Political will is recognized as being instrumental, together with legal, regulatory and institutional reform, if the Government's social housing programme is to succeed.²⁵²

Figure 29: Model of collaboration between the formal and informal contractors, artisans and labourers



Source: After Mlinga, 2001²⁵³

SIC has a small stock of rental and tenant purchase housing which it has failed to adequately maintain. Many governments with large public housing stocks have found that transferring this stock to residents can improve the efficiency of housing markets, as well as distributional effectiveness. Initial conditions and the cost of transfers are important factors; while condominium and housing cooperative legislation can help ensure proper maintenance of properties after they are transferred. Indeed, Cameroon is currently transferring some of the SIC housing to sitting tenants. However, as the Government continues with its social housing programme, it should *"carefully study the cautionary experiences of countries that have found such programs to be extremely costly and less effective than initially planned."*²⁵⁴

The GESP recognizes that diaspora remittances constitute a substantial source of foreign exchange earnings. The Government thus plans to encourage diaspora Cameroonians to invest back home through, among other ways, institutional management of the issue by relevant authorities, and incentives to channel remittances to productive investments.²⁵⁵ This presents an important opportunity for encouraging investment in housing.

²⁵¹ Interview with Stephan Garnier, Sector Leader for Sustainable Development, World Bank Cameroon Country Office on 22/05/2014. These views are supported by the BTI 2014 – Cameroon Country Report (Bertelsmann Stiftung, "BTI 2014 – Cameroon Country Report," (Gütersloh: Bertelsmann Stiftung, 2014).)

²⁵² Interviews with senior Government and parastatal officials.

²⁵³ Ramadhan S. Mlinga, "Collaboration between the Formal and Informal Construction Sectors: Towards a New National Policy for Tanzania" (University of Cape Town, 2001).

²⁵⁴ Stephen Malpezzi, "Global Perspectives on Housing Markets and Policy " *Working Paper #3* (New York: Marron Institutue, 2014). p.47

²⁵⁵ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020."

3. Demand-Side Value Chain²⁵⁶

A. Eligibility

Despite the rhetoric, especially on United Nations platforms, the Government Programme of Construction of 10,000 Social Housing Units and Development of 50,000 Buildable Plots is not intended to be affordable housing targeted at low-income households.²⁵⁷ Indeed, only households in the highest income quintile can afford the housing provided under the programme.²⁵⁸ This was also clearly demonstrated in the analysis of housing demand and affordability in Section 2.A.

SAD housing is similarly targeted at upper-middle income and high-income households. Indeed, 40% to 60% of the housing developed by SAD has been purchased by Cameroonians in the diaspora.²⁵⁹

B. Application

The housing units for sale under the Governments flagship social housing programme are advertised through the dedicated website.²⁶⁰ In addition to providing details of the housing units for sale, including location, size and prices, the website also explains the application process—which is summarized in Box 10—and states clearly that houses are bought for cash. Application forms are downloadable from the website. Article 30 of Order No. 009/E/2/MINDUH of 21 August 2008 governing social housing rules that a household can only apply for and be assigned one plot or social housing unit.

Box 10: Application process for a housing unit under the Government’s social housing programme

1. Submission of the complete application dossier to a regional SIC office. The dossier includes:
 - SIC housing purchase application form;
 - Photocopy of national identity card;
 - Photocopy of marriage certificate;
 - Letter of employment;
 - last three payslips or other proof of income of the applicant and spouse;
 - Evidence of earning the minimum wage or equivalent (for diaspora Cameroonians)
 - Receipt of payment of the non-refundable fee of 20,000 FCFA (payable to SIC)
 - Solemn undertaking to personally occupy the dwelling for a minimum period of five years;
 - Sworn statements on bank liabilities and the realization of capital.Upon receipt, a date and number are assigned to the dossier; and the client can visit the model homes on request.
2. Once assigned a house, the client presents themselves at a SIC office to sign a reservation contract.
3. Once the above procedures have been completed, the purchaser is directed to pay the full sale price into the account opened for this purpose in a CFC branch office. Payments can be made at once, or in instalments over a period not exceeding six months.

Diaspora Cameroonians can apply online, and submit their applications forms together with the requisite supporting documentation online. The supporting documentation includes: Photocopy of their national identity card; Three pay slips; Photocopy of their marriage certificate; Certificate of residence;

²⁵⁶ Note that while the value chain terminology seems to only address formal side activities, the informal activities can be characterized in this manner as well – if only anecdotally – and it is part of our job to do so. For instance, describing the lending activities among families, and use of remittances.

²⁵⁷ This point was repeatedly emphasized by all senior government officials interviewed.

²⁵⁸ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l’Habitat Social au Cameroun."

²⁵⁹ Interview with Technical Director, SAD on 21/05/2014.

²⁶⁰ <http://www.logements.cm> which is accessible through the MINHDU website.

Sworn statement of outstanding loans; Receipt of payment of fees; Sworn statement to achieve financing; Solemn undertaking to personally occupy the dwelling.

The CFC website also has a page for the Diaspora, which affirms that all products accessible by Cameroonians living in Cameroon are also accessible by diaspora Cameroonians; and has a link to CFC's various loans and savings products. The website has a loans simulator for some of the loan products,²⁶¹ which prospective applicants can use to calculate the repayment rates for varying loan amounts over varying repayment periods. Applicants can also follow the progress of their application dossier online.

C. Subsidy & Finance

Cameroon's financial system is the largest in the CEMAC region, accounting for about 50% of the region's financial assets. As at end December 2013, the financial sector comprised 13 commercial banks with a network of 231 branches; 407 MFIs; one postal savings network (CAMPOST); 24 insurance companies; and one pension fund (CNPS). The total financial system assets were estimated at about 39% GDP in 2012—an increase of nearly 3 percentage points since 2010.²⁶²

Unlike in most countries, where a central/ reserve bank regulates and supervises the country's banks, Cameroon and the five other CEMAC states share a common central bank, the Bank of Central African States (BEAC) under the umbrella of CEMAC. BEAC does not carry out regulatory and supervisory functions, but instead created a separate body, the Central Africa Banking Commission (COBAC) to carry out these responsibilities. The efficiency of the supervisory framework is however constrained by COBAC's limited institutional independence; inadequate resource allocation to COBAC; and inadequate alignment of the prudential norms with best practices.²⁶³

According to the Professional Association of Credit Institutions in Cameroon, in 2011, about 4.5% of the adult population had access to formal financial services—compared with 24% for SSA as a whole.²⁶⁴ Table 24 shows the key indicators of access to and use of financial services in Cameroon in 2012. The conditions for opening accounts and location of most formal sector financial institutions in major urban centres severely constrains access by low-income and poor households.²⁶⁵

Access to housing finance, in particular, is extremely low to all demographics in Cameroon and only available to civil servants through CFC. Mortgage finance from the formal banking system is accessible to only about 2% of the population.²⁶⁶

²⁶¹ <http://www.creditfoncier.cm/index.php/fr/pret-pour-particulier>

²⁶² IMF, "Cameroon: Selected Issues."

²⁶³ ———, "Cameroon: Financial System Stability Assessment—Update."

²⁶⁴ EIB, "Banking in sub-Saharan Africa: Challenges and Opportunities," (Luxembourg: European Investment Bank, 2013).

²⁶⁵ Republic of Cameroon, "Growth and Employment Strategy Paper: Reference Framework for Government Action over the Period 2010-2020."

²⁶⁶ Shelter-Afrique, "Shelter-Afrique: 2013 Annual Report and Financial Statements," (Nairobi: Shelter-Afrique Centre, 2014).

Table 24: Access to and use of financial services

Commercial bank branches per 1,000 km ²	0.43	Commercial bank branches per 100,000 adults	1.69
ATMs per 1,000 km ²	0.65	ATMs per 100,000 adults	2.58
Outstanding deposits with commercial banks (% of GDP)	16.86	Outstanding loans from commercial banks (% of GDP)	16.81
Deposit accounts with commercial banks per 1,000 adults	80.84	Loan accounts with commercial banks per 1,000 adults	23.53
Household deposit accounts with commercial banks per 1,000 adults	36.88	Household loan accounts with commercial banks per 1,000 adults	10.37

Source: IMF Financial Access Survey, 2012²⁶⁷

Cameroon Housing Loan Bank (CFC)

As stated above, CFC is the only mortgage finance institution that actively promotes and provides housing finance. Since the beginning of 2014, CFC has revised its portfolio of loans and savings products to make them more responsive to demand and market realities. It thus offers a range of savings accounts and loan products targeted at different stakeholder groups and for different purposes, details of which are available on the CFC website.²⁶⁸ Table 25 and Table 26 summarize the key features of the various loan products, including eligibility requirements and terms and conditions. The website affirms that CFC is the only financial institution that provides long term loans at low and flexible interest rates to individuals with an income from either the formal or informal sector. This is, however, not the case—it is almost impossible for anyone working in the informal sector to obtain a loan as they do not have proof of regular income in the form of a pay slip, and their businesses do not have a permanent address.²⁶⁹

On 3 March 2014, CFC and FEICOM signed an agreement to open a line of credit of 10 billion FCFA (about US\$ 21 million) to facilitate the financing of low-income home construction projects.²⁷⁰ CFC is also partnering with Ecobank's Cameroonian subsidiary to collaboratively promote access to decent housing through the "Bankimmo" initiative. Under the partnership, Ecobank will sell and distribute CFC's housing finance products, with the aim of creating awareness of, and access to CFC's housing finance products both locally and among diaspora Cameroonians. In addition to the agreement signed with Ecobank, CFC is planning to partner with other institutions, beginning with MFIs, to give its products a wider presence and increase interest in them, both locally and abroad.²⁷¹

²⁶⁷ IMF Financial Access Survey <http://fas.imf.org>

²⁶⁸ <http://www.creditfoncier.cm>.

²⁶⁹ Interviews with senior officials.

²⁷⁰ Business in Cameroon, "In 37 years, Crédit foncier du Cameroun has financed the construction of 69,500 low-income housing units."

²⁷¹ Business in Cameroon, "Cameroon: Ecobank to sell Crédit foncier real estate financing products," *Business in Cameroon* April 2014, no. 15 (2014).

Table 25: Key features of CFC loan products

	Classic Ordinary Land Loan		Classic Youth Land Loan	Classic Conventional Land Loan
	Open only to individuals showing a steady income, there will be a wage income or proof of income other than salary stable and durable.	Investment in either a public or private development programme. It relates in particular to the purchasers of the products real estate developers have signed an agreement with the CFC financing or stating partnership.		Intended for employees of companies or businesses or a socio-professional category, who signed with the CFC a MOU/ partnership agreement.
Eligibility:	Existence of a partnership agreement between Crédit Foncier and the employer of the borrower.	Investment in the framework of a program or public property or private.	Aged 35 or less and provide evidence of seniority with the same employer for at least two continuous years, if not in possession of letter of employment.	Existence of a partnership agreement between CFC and the employer of the borrower.
Destination Project	<ul style="list-style-type: none"> ▪ Construction of a building project for personal home 	<ul style="list-style-type: none"> ▪ Principal residence ▪ Second home 	<ul style="list-style-type: none"> ▪ Principal Residence 	<ul style="list-style-type: none"> ▪ Primary residence ▪ Secondary residence
Eligible operations	<ul style="list-style-type: none"> ▪ Purchase Land ▪ Purchase Land + Construction ▪ Housing construction ▪ Acquisition of housing ▪ Acquisition of housing + work ▪ Finishing work or improvement ▪ Acquisition of real estate debt ▪ Acquisition of real estate debt + work 	<ul style="list-style-type: none"> ▪ Acquisition of Land ▪ Acquisition of housing (built or future state of completion) ▪ Acquisition of housing + Finishing works 	<ul style="list-style-type: none"> ▪ Housing construction ▪ Acquisition of housing ▪ Acquisition Housing + Construction ▪ Purchase Land ▪ Purchase Land + Construction 	
Eligible persons		Individuals	Individuals	Employees with a signed agreement.
Duration	25 to 300 months, subject to the remaining duration of activity	25 to 300 months, subject to the remaining duration of activity	25 to 360 months, subject to the remaining duration of activity	25 to 300 months, subject to the remaining duration of activity
Interest rate	5.031% or 6% VAT incl 5,031% HT soit 6% TTC	5.031% or 6% VAT incl	<ul style="list-style-type: none"> ▪ Salary ≤ 300, 000 FCFA /month = 3.145% HT, 3, 75% VAT ▪ Salary ≥ 300, 000/ FCFA month = 3.354% HT, 4% VAT 	3.145% to 4.193% HT 3.75% to 5% VAT
Total deferred:	1 to 18 months	Total deferred: 1 to 24 months	Total deferred: 1 to 24 months	1-18 months up to 24 months if purchase off-plan (selling off-plan)
Min. personal contribution	20% of the project cost, subject to the debt capacity of the borrower	10% of the project cost subject to the debt capacity of the borrower	Up 0% subject to debt capacity of the borrower	As defined in the partnership agreement, subject to the debt capacity of the borrower
Max. loan amount	150 million FCFA	150 million FCFA	50 million FCFA	150 million FCFA

Table 26: CFC New credit rates

	Classic Land Loan	Classic Ordinary Land Loan	Classic Purchaser Land Loan	Land saving housing	Land improvement of housing	Land solidarity	Promo land	Rental
Eligible Operations	Land purchase; Construction; Finishing works, Construction of main residence or retirement home.	Land purchase; Construction, Finishing works; Construction of main residence or retirement home..	Purchase of land; Purchase of a home with a third party or as part of a development programme.	Purchase of land; Construction; Finishing works; Construction of main residence, retirement home or a building for rental.	Work of home improvement, purchase of construction materials.	Facilitate access to home ownership for economic actors in the informal world.	Housing construction and land improvements.	Open access to credit to landowners.
Maximum loan duration	20 years	20 years	20 years	20 years	25-60 months	20 years	36 months	20 years
Interest rate	6%	5%	6%	5.5%	10%	5%	7%	7%
Maximum delay in amortization	12 months	12 months	12 months	12 months	1 months	12 months	18 months	18 months
Minimum personal contribution	20% of project cost	20% of project cost	10% of project cost	Prior savings	Prior savings	10%	30%	
Maximum loan amount (FCFA)	150,000,000	30,000,000	150,000,000	150,000,000	3,000,000 6,000,000	150,000,000	500,000,000	250,000,000
Debt capacity	33% of wages presented	33% of wages presented	33% of wages presented	33% of wages presented	33% of wages presented	In connection with savings capacity	70% of the project	75% rent
Guarantees	First mortgage, life insurance and fire insurance.	First mortgage, life insurance and fire insurance.	First mortgage, life insurance and fire insurance.	First mortgage, life insurance and fire insurance.	Mortgage promise for more than 36 months loan.	First mortgage, life insurance and fire insurance.	First mortgage, life insurance and fire insurance.	First mortgage and fire insurance.

Source: Dumas, 2014²⁷²

²⁷² Jules Dumas, "Cameroon,"(2014), <http://www.wm-urban-habitat.org/eng/?p=221>.

Banks

The banking sector is dominated by foreign-controlled banks, which make up 10 of the 13 commercial banks.²⁷³ Both foreign-controlled and domestic banks only offer loans to a small client base of high income individuals and corporates.²⁷⁴ About 99% of the loans are short and medium term, reflecting the bank deposits which are 75% short and medium term, and prudential requirements which prevent them from financing long term loans.²⁷⁵ On the other side of the equation, only the most basic savings products are available—passbook savings accounts, and demand and term deposits.²⁷⁶ This makes it difficult for banks to provide long term loans which can be used for housing development.

Bank charges are regulated by the Ministry of Finance. The lending rate is approximately 22% exclusive of taxes, having recently been increased from 17%; while interest rates for deposit accounts range from 4.5% to 8%. A single borrower's limit must not exceed 45% of the Bank's capital funds.²⁷⁷

A few banks offer loans for real estate development, one being the International Bank of Cameroon for Savings and Credit (BICEC) which, with 34 branches and about 300,000 customers, is the leading banking network in Cameroon. BICEC offers land acquisition/home renovation loans, which are short term personal loans meant for real estate acquisition or improving security and purchasing equipment. Targeted at private customers who are holders of current accounts, the maximum loan amount is 5,000,000 FCFA (about US\$ 10,400) and the maximum loan duration 48 months. BICEC current holders can also apply for a real estate loan, which BICEC defines as "a long term credit facility meant to finance the acquisition of a main residence, holiday home or rental property". The maximum duration of the loan is 120 months.²⁷⁸

COBAC requires banks to publicly disclose financial and other information so that depositors and other creditors are able to use this information to assess the level of risk and to make informed investment decisions. COBAC can also use market pricing information as an indicator of the bank's financial health. Banks are consequently subject to market discipline.²⁷⁹ However, the 2012 IMF Article IV consultation with Cameroon found that four (and possibly five) of the 13 commercial banks were suffering financial distress; and a continuing increase in the number of banks in violation of the main prudential ratios.²⁸⁰

Microfinance institutions

Microfinance has existed in Cameroon for almost fifty years. However, the growth of microfinance escalated in the early 1990s following the introduction of two laws regulating associations and credit unions, which facilitated the rapid development of MFIs owing to the low minimum capital requirement. The boom was however not accompanied by regulation, leading to a crisis in the latter 1990s, owing mainly to poor professionalism and management. This led to reform of the sector, culminating with the

²⁷³ IMF, "Cameroon: Selected Issues."

²⁷⁴ ———, "Cameroon: Financial System Stability Assessment—Update."

²⁷⁵ Khan, "Constraints and Opportunities for Mobilising Domestic Resources in Africa: The Case of Cameroon."

²⁷⁶ IMF, "Cameroon: Financial System Stability Assessment—Update."

²⁷⁷ Nico Halle, "Banking in Cameroon (An Overview)," (Douala: Nico Halle & Co. Law Firm, n.d.).

²⁷⁸ <http://194.206.234.44/eng/bicec.php>.

²⁷⁹ Halle, "Banking in Cameroon (An Overview)."

²⁸⁰ IMF, "Cameroon: 2012 Article IV Consultation," *IMF Country Report No.12/237* (Washington, D.C.: International Monetary Fund, 2012).

2002 legislation which established policies, norms and standards for the management of MFIs.²⁸¹ Figure 30 shows the number of MFIs and members/clients between 2002 and 2012. As of end December 2013, there were 407 MFIs, serving some 1.5 million clients and employing about 10,000 people directly and an estimated 5,000 indirectly (as agents).²⁸² The MFI sector covers 287 localities of the country and reaches around 44% of the population, compared with 15% for the commercial banks. MFIs are almost evenly distributed between urban (52%) and rural (48%) areas.²⁸³ However, despite the growth in numbers, MFIs still play a relatively minor role, accounting for less than 5% of total loans in 2011.²⁸⁴

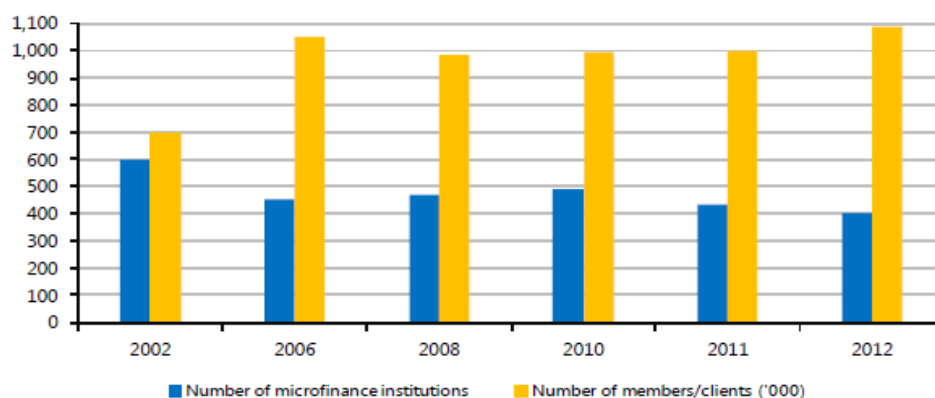
MFIs in Cameroon are regulated by three laws: (i) the national law; (ii) the CEMAC law instituted through COBAC; and (iii) the Organization for Harmonization of Business Law in Africa (OHADA).²⁸⁵ They are classified into in three categories as shown in Table 27.

Table 27: Organisation of the Microfinance Sector in Cameroon

Categories	Characteristics	Requirements	Institutions
Category 1	Savings collection from their members and credit operations only with them.	No requirement caution but a minimum capital adequacy is needed. They must keep reserves (at least 20% of their results each year) to cover their losses.	Village banks, Credit Unions of CamCCUL Network, MC2s. About 65% of total sector and 85% of volume of activities.
Category 2	Savings collection and provision of credits to members and non-members.	Requirement caution of 50 million FCFA (about US\$ 104,400) to be held in a bank.	Independent MFIs. About 30% of the sector, 10% of the volume of activities
Category 3	Institutions providing only credit services to the public.	Requirement caution of 25 million FCFA (about US 52,200) to be held in a bank.	Projects, institutions of credit. 5% of the sectors

Source: Kouomou, 2008

Figure 30: Number of Microfinance Institutions and Members/Clients, 2002 - 12



Source: IMF, 2014, p.82

²⁸¹ MicrofinanzaRating, "Crédit Communautaire d'Afrique (CCA) - Cameroon," (Milan: MicrofinanzaRating, 2007); Serge Djoum Kouomou, "Mutuelle Communautaire de Croissance (MC2s), Cameroon: Decentralized Community Banks for Remote Outreach," (Antigonish, Nova Scotia: Coady International Institute, 2008).

²⁸² IMF, "Cameroon: Selected Issues."

²⁸³ Leonard Ajonakoh Fotabong, "The Microfinance Market of Cameroon: Analyzing Trends and Current Developments," (2012).

²⁸⁴ EIB, "Banking in sub-Saharan Africa: Challenges and Opportunities."

²⁸⁵ Fotabong, "The Microfinance Market of Cameroon: Analyzing Trends and Current Developments."

In 2012, the microfinance sector experienced strong growth, with concomitant consolidation. There was an increase in the number of agencies, clients, deposits, and loans, but the number of MFIs decreased, as shown in Table 28. This drop reflects the fragility in the sector as well as efforts to close down non-viable MFIs. There were 371 Category 1 MFIs; 32 Category 2 MFIs and 4 Category 3 MFIs; with Category 2 MFIs accounted for almost 50% of deposits received and loans extended.²⁸⁶

Table 28: Microfinance Institutions Selected Data, 2006–12

	(Units as indicated)			
	2006	2008	2010	2012
Number of microfinance institutions	453	470	490	407
Number of agencies	1,052	983	1,000	1,087
Number of clients	849,030	1,073,620	1,360,000	1,500,000
Total deposits (FCFA billions)	162.4	258.2	373.9	454.6
Total loans (FCFA billions)	104.2	138.5	221.4	239.8
Share capital (FCFA billions)	20.0	22.2	42.3	63.5

Source: IMF, 2014.²⁸⁷

Unlike commercial banks, MFI deposit and lending rates are unregulated, as Cameroon is not among the 17 of the 48 SSA countries that have interest rate caps for MFIs.²⁸⁸ Interest rates on savings can thus vary from 3.25% to 15% annually, and interest rates on loans from 3% to 10% per month. The Community Growth Mutual Funds (MC2) MFI network is however an exception, with a maximum interest rate is 15%.²⁸⁹

Tontines

The tontine system, which also exists in several other SSA countries, is a widespread institution in Cameroon. Tontines are difficult to define because of their hybrid nature—a mixture of social and financial functions. They typically comprise people who are bound to each other in some way: hence there are family/kinship tontines; locality-based tontines; work-based tontines; etc. Mutual relationships or interests play a paramount role in strengthening social control and ensuring financial functionality and viability of tontines.²⁹⁰ Two main types of tontine can be distinguished based on their purpose:

- Communal Labour Tontine: in which members, especially in the rural areas, assist one another in turn in manual labour such as harvesting of crops; but this form of tontine is on the decline.
- Cash-based Tontine: in which members make financial contributions of varying amounts. This is by far the most widespread form of tontine.²⁹¹

Cash-based tontines can essentially be classified as two types—tontines without an interest rate and tontines sold by auction—both of which have variants, and are summarily described in Box 11.

²⁸⁶ IMF, "Cameroon: Selected Issues."

²⁸⁷ Ibid.

²⁸⁸ Mix and CGAP, "MIX Microfinance World: Sub-Saharan Africa Microfinance Analysis and Benchmarking Report 2010," *A report from Microfinance Information Exchange (MIX) and Consultative Group to Assist the Poor (CGAP)* (Washington, DC: Microfinance Information Exchange, Inc, 2011).

²⁸⁹ Fotabong, "The Microfinance Market of Cameroon: Analyzing Trends and Current Developments."

²⁹⁰ Richard Lowe, "Tontines in Africa: A Case Study of Cameroon," *The African Reinsurer Volume 019*, no. June 2005 (2005), p.32

²⁹¹ Ibid. There are various forms of cash-based tontines depending on the needs and creativity of different groups: financial tontines, tontines of goods and services, credit-savings, emergency-savings, school-banks, and savings for development projects among others.

- 1) *Rotating savings system*: Members meet at fixed intervals, usually weekly or monthly, and pay an agreed sum of money at the beginning of the round. The total amount collected is loaned to a different member each week/month. The sequence of members who receive the money is agreed in advance. The number of members determines the number of loan periods and length of a loan cycle. An equal amount of money is distributed each week/month, free of interest.
- 2) *A variant of the above*: The money collected is auctioned and all members of the current round who have not yet received a loan are eligible to bid for it. The money is awarded to the highest bidder. The 'profit' made in this main money market is then divided into smaller amounts which are also auctioned. The money from this secondary market is treated as short-term loans, repayable, with interest, within a few weeks. If the amount of money from the secondary market is large enough, it is transferred to the main market and offered in the subsequent round. The round ends when all members have been paid once. The loans from the secondary money market are collected in the last round and distributed equally to all members as dividends; and a new round can begin.²⁹²

Box 11: Example of a “rotating fund” tontine and an auction

No	MONTH	BENEFICIARY	AMOUNT	DATE
1	January	Carlton	100.000	Last Friday of every month
2	February	Roland	100.000	“
3	March	Mathias	100.000	“
4	April	George	100.000	“
5	May	Irene	100.000	“
		Total	500.000	

The main characteristics of this kind of tontine are:

- (1) Agreed/fixed monthly contributions.
- (2) Agreed dates for contributions: either by negotiation or voting, or to coincide with specific events/projects.
- (3) Rotational with respect to the beneficiary; and in some cases the venue (e.g., from residence to residence).

This is the typical tontine where the essence is to save either for investment purposes—often incremental self-build housing—or for an expected financial commitment, social event, etc.

In a variation of the above model, during the January session, three members urgently need the funds. The funds are therefore put up for auction, with a reserve price of, for example, 5% (i.e., 25,000 FCFA. Depending on need/demand, the highest bidder may pay 15% of the total collected amount (500,000 FCFA) to receive the funds. The beneficiary is consequently paid 425,000 FCFA, with the interest/ discount of 75,000 FCFA collected at source.

This scenario reflects a money market situation (a primary market) of lenders (savers) and borrowers, and a price, the interest/ discount. The market may not necessarily end at this juncture as even the discount may again be sold to the highest bidder at say 5 % per month, repayable in one month—i.e. 78,750 FCFA. This latter amount and proceeds of subsequent sessions are shared amongst members as dividends at the end of the contribution, and a new timetable is announced.

Source: Nico Halle Law Firm²⁹³

²⁹² Jean-Marc Sika and Balz Strasser, "Tontines in Cameroon: Linking Traditional and Semi-formal Financing Systems," *Development and Cooperation* 1, no. January/February 2001 (2001).

²⁹³ Nico Halle, "Cameroon: Banking and Finance in Cameroon Part 1," *Mondaq*(1996), http://www.mondaq.com/literal.asp?section_id=173&product_id=26.

Tontines are a vital part of the informal financial sector, enabling individuals unable to access finance from the formal financial sector to do so. An estimated 50% of Cameroonians participate in tontines, including people from all income brackets, women, the youth and Cameroonians in the diaspora:²⁹⁴ and they account for an estimated 90% of individual loan transactions in Cameroon.²⁹⁵ The top groups are able to mobilise between US\$ 100,000 and US\$ 500,000 per session.²⁹⁶

Tontines have a number of advantages, an important one being that because they are self-administered, they are flexible and readily adjustable to the changing needs of members. In a context of great economic and social insecurity, this flexibility is extremely important and one of the tontines' key success factors. Another is their high repayment rate, which is largely owing to the system being based on the mutual trust of the members and not requiring collateral which would exclude many people. An additional key principle is that not even death should be a reason for default. Other advantages include quick and transparent access to funding in case of urgent need; and absence of time-consuming, credit checking bureaucracy and paper work that characterise the banking and MFI sectors. Many tontine groups also make provisions for interest free loans, which members can apply for to cope with specific shocks, which are specified in the bye-laws, and often involve serious illness and medical expenses.²⁹⁷

Tontines however also have some weak points which prevents their use to finance the investment needed for Cameroon's economic development. One is the shortness of the tontine cycle—the institutionalized life of maximum 12 months means they cannot finance longer-term projects. Also, the fact that their short-term savings stocks cannot be converted into long-term loans is likewise a problem in the formal financial sector. Another relates to the low loan amounts; while the high interest rates—5 to 10% per month—are a further disincentive to using tontine loans to finance long-term projects.²⁹⁸

Hence, while tontines have helped many households overcome extreme poverty by enabling access to finance, this is not reflected at the macro-level of development, with Cameroon ranked 150th in the world with an HDI value of 0.495. Nevertheless, tontines have financed much of the housing constructed through self-construction. Indeed, the tontine financial model is well suited to the incremental development model that many Cameroonians, including both middle- and low-income households employed in the formal and informal sector, adopt in building their houses. This is reflected in the high level of ownership among retirees, as explained above.

D. Credit Underwriting

A major challenge facing formal sector financial institutions in Cameroon is the absence or inconsistency of collaterals or securities.²⁹⁹ Most financial institutions—including CFC, banks and MFIs—make their credit decisions based on the employment status of the loan applicant, and the amount and regularity of their income. Hence proof of formal employment and evidence of regular income in the form of payslips are, in almost all cases, prerequisites for a loan. This consequently excludes the vast majority of the

²⁹⁴ Lea Pulcherie Maffengang, "Tontines: The Informal Financial Sector in Cameroon," *Fair Observer*(2013), <http://www.fairobserver.com/region/africa/tontines-informal-financial-sector-and-sustainable-development-cameroon>.

²⁹⁵ Armel Kouassi, Jennifer Akpapuna, and Henok Soededje, "Cameroon," (n.d.).

²⁹⁶ Halle, "Cameroon: Banking and Finance in Cameroon Part 1. "; Lowe, "Tontines in Africa: A Case Study of Cameroon."

²⁹⁷ Halle, "Cameroon: Banking and Finance in Cameroon Part 1."

²⁹⁸ Kouassi, Akpapuna, and Soededje, "Cameroon. "; Jean-Marc Sika, Balz Strasse, and Ben Nakomo, "Five Million Cameroonians Rely on Tontines and Njangi to Fight Poverty," *The Entrepreneur, December 27, 2006*(2006), http://www.entrepreneurnewsonline.com/2006/12/five_million_ca.html.

²⁹⁹ Ben Ayuk Besong, "The Cameroonian Banking and Financial Sector," (2011).

population (90.5%) employed in the informal sector. Indeed, in the case of the Government's social housing programme, applicants who are purchasing of housing units through funding from CFC are required to submit an irrevocable transfer of salary subject to the express agreement of CFC.

Loan conditions—type and value of the guarantee, interest rate, loan duration, etc.—in most MFIs are negotiated case by case, according to the customer's characteristics, activity, guarantees and repayment capacity. However, Category 1 MFIs require prospective borrowers to save for a stipulated period of time before they can obtain credit.³⁰⁰ MFIs, like banks, attribute a high credit risk to low-income individuals owing to their lack of collaterals and securities to underwrite loans.

According to the National Credit Council (CNC), the gross volume of delinquent loans recorded by Cameroonian banks at the end of 2013 was 328 billion FCFA (about US\$ 685 million),³⁰¹ with total unpaid loans constituting approximately 14% of the total volume of loans granted by banks.³⁰² MFIs face a similar problem of delinquency, with significant numbers of clients either not repaying their loans promptly, or not repaying them at all. The reasons cited include: low household income; mismanagement of funds owing to bad business practices; deliberately not repaying; and so called "acts of God" (situations that arise that are beyond the control of the borrower, such as illness or death in the household). Low household income is the commonest reason suggesting that, in many cases, microcredit is insufficient to enable low income households to overcome poverty.³⁰³

As explained above, despite the reforms of 2005, registering property remains a protracted and costly process, which adversely impacts the use of land and real estate titles in financial transactions, including as collateral for bank and mortgage loans. Furthermore, land can only legally serve as collateral if the owner is up to date with property tax-payments. Moreover, the real-estate registry, which covers only Yaoundé and Douala, is poorly organized.³⁰⁴

Therefore, while banks may be criticized for not offering credit to ordinary Cameroonians, despite having excess liquidity on their balance sheet, the high number of NPLs and difficulties in recovering loans through the courts are a big problem for them.³⁰⁵

In the case of tontines, as explained above, mutual relationships play a paramount role in strengthening social control and ensuring financial functionality and viability of tontines. Indeed, the fundamental underpinnings and credit underwriting approach of the tontine system can be defined as: "*Trust, mutual aid and keeping one's word*".³⁰⁶ Some tontine groups also use a blank cheque signed by the beneficiary (i.e., a recipient of funds) or sales certificates of highly marketable assets to underwrite the minimal

³⁰⁰ Fotabong, "The Microfinance Market of Cameroon: Analyzing Trends and Current Developments."

³⁰¹ Speaking on 1 June 2014, the Managing Director of UBA Cameroon, Georges Wega, affirmed that 25% of loans issued by Cameroonian banks have uncertain outcomes. Business in Cameroon, "25% of loans given by Cameroonian banks are risky, according to the Managing Director of UBA," *Business in Cameroon* June 2014, no. 17 (2014).

³⁰² Neneh Brownhilder, "Loan delinquency: A critical issue in Cameroon," *NBN Investment Solutions Blog*(2014), <http://blog.nbninvestmentsolutions.com/templates/FullArticle.aspx?articleid=10&zoneid=2>.

³⁰³ Ian Long, "Perceptions of Microfinance in Cameroon: A Case Study of UNICS, Yaoundé," *Independent Study Project (ISP) Collection. Paper 729* (2009).

³⁰⁴ IMF, "Cameroon: Selected Issues."; Njoh, "The validity of owner-reported property cost as a measure of property values in a developing real estate market, Cameroon."

³⁰⁵ Gilbert Ameh Akon, "A Critical Look at Banking Sector Regulations in Cameroon," *African Development Finance Policy Workshop* (University Of Stellenbosch Business School, Cape Town, 7 - 8 August 2012/2012).

³⁰⁶ Lowe, "Tontines in Africa: A Case Study of Cameroon.", p.32

financial risk. In the event of default, a dishonoured cheque would have grave social consequences. Both instruments merely pressurise the borrower to fulfil their commitment when due.³⁰⁷

E. Loan Closing

The loan closing process for successful applicants who secure a CFC loan to buy a housing unit under the Government's flagship programme is summarily explained in **Error! Reference source not found.** In the final steps of the loan closing process, SIC facilitates the payment of legal fees; and also submits and follows the applicant's file sent to the notary for signing; issuance of the title deed; and depositing of the title deed with CFC.

³⁰⁷ Halle, "Cameroon: Banking and Finance in Cameroon Part 1."

Box 12: Process of becoming a home owner under the Government's flagship programme

- (1) An application file is submitted to SIC, which includes:
 - An application on printed SIC form;
 - A photocopy of the National Identity Card;
 - A photocopy of Marriage Certificate (if applicable);
 - Three bank balance sheets (both spouses if married);
 - A receipt for payment of filing fees (payable to the manager)Upon receipt, a date and number are assigned to the file. The client can visit the model homes on request.
- (2) The file is sent to the Technical Secretariat for technical and financial assessment, which focuses on the following award criteria
 - The number of years remaining before the applicant reaches the retirement age.
 - The applicant's income (the income must be greater than or equal to 3 times the monthly instalment).
 - The type of housing requested.
 - The personal contribution.
- (3) The file is sent to the ad-hoc Housing Allocation Commission.
- (4) The ad-hoc Housing Allocation Commission is required to:
 - Decide on the eligibility/ability of applicants to pay in full.
 - Apply the criteria in the Annex to loan applicants.
 - Transfer eligible files to the Regional CFC office and the Minutes (PV) of the Award to SIC.
- (5) Once a housing unit is assigned, the applicant must provide SIC a complete file containing:
 - Verification of current employment, indicating the date of employment and the age of retirement, or an open-ended employment contract.
 - Verification of irrevocable transfer of salary making subject to the express agreement of CFC.
 - Banking information: Printed provided by the Agency.
 - Bank statement identity document.
 - Bank account statement for the last 6 months.
 - Binding reservation contract for the housing unit.
 - A fact sheet of the housing to be bought.The customer is invited to select a unit for which the exact price is determined. Payment is made in cash into an account opened by the Autonomous Amortization Fund in a bank.
A reservation contract is finalized and the condominium regulations issued by SIC to the new owner.
- (6) The file is sent to the CFC office for the loan instruction.
- (7) The Directorate General gives the notification CFC loan agreements.
- (8) CFC sends SIC notification of the loan agreements and irrevocable transfer notification.
- (9) SIC facilitates the payment of legal fees and technical file; hands over the keys to the owner; submit and monitor the technical file in the Office of Cadastre. SIC is also responsible for submitting and following the file sent to the notary for signing; issuance of the title deed; and depositing the title deed with the financial institution.

Source: After <http://www.logements.cm>

In the MFI sector, loan closing procedures vary from one institution to another, and also from one branch to another. In the case of Crédit Communautaire d'Afrique (CCA), a Category 2 MFI with a capital of five billion FCFA (about US\$ 10.5 million),³⁰⁸ this variability of policies and procedures is offset by decision-making centralization, which can however prolong the process. Branch heads compile clients files, ensuring that all the conditions have been met, which they then submit to the Regional Manager for notice and to the Legal Department for an assessment of the risk and guarantees of the customer. The files are then finally submitted to the Credit Committee for final approval and loan closing.³⁰⁹

Tontines follow very simple procedures when it comes to loan closing:

³⁰⁸ <http://www.cca-cameroon.com/en>.

³⁰⁹ MicrofinanzaRating, "Crédit Communautaire d'Afrique (CCA) - Cameroon."

- In the case of rotating funds, the award of the “bulk prize” to a particular beneficiary is decided based on the membership and tontine round. The “bulk prize” is typically allotted successively to each member at the end of each month based on a ballot held at the start of the tontine round. Allocation may also be alphabetic name order. As soon as it is a member’s turn to receive the bulk prize, it is remitted to them promptly, in cash or cheque, with minimal formalities.
- In the case of auction tontines, the bulk prize is allotted to the highest bidder. The amount raised from the bids is immediately loaned out usually as smaller prizes with a reimbursement deadline of one or two months, as explained in Box 11. **Error! Reference source not found.** As soon as the bids are closed, the bulk prize is remitted to the beneficiary promptly, in cash or cheque, with minimal formalities.³¹⁰

F. Funding

CFC

CFC is funded by (i) a deduction of 2.5% at source on all employees’ salaries (which is shared between employees and employers); (ii) deposits from prospective borrowers; and (iii) repayment of loans by borrowers, which, though subject to default, is nevertheless significant.³¹¹ Owing to its status and the funding it receives through payroll deductions, CFC is able to operate outside market conditions and offer very competitive interest rates on deposits and loans as shown in Table 25 and Table 26. This has however impacted adversely on operating costs which have escalated. In addition, poor loan recovery has resulted in a default rate of more than 80% of the portfolio—with a significant proportion of NPLs (totalling about 32 billion FCFA) being loans granted to SIC and the State. Indeed, during the economic crisis years in the 1980s and ‘90s, the State stopped remitting payroll deductions; and also did not remit loan deductions from the salaries of Government officials. The State also defaulted on loans it received from CFC. An attempt to diversify into commercial banking activities, including consumer loans, which was not in accordance with CFC’s approved mandate, resulted in further losses, and was terminated on 31/12/2009.³¹²

However, CFC’s NPLs have been or are being restructured. Key functions such as accounting and information systems and loan recovery deadlines are also being reconstituted by the current management. Thus, according to the Groupe Huit study, CFC’s current financial position is satisfactory, disregarding the balance sheet and financial potential. This liquidity enables CFC to maintain its loan portfolio; and to directly assist financial transactions initiated by the Government, in particular under the social housing programme. However, it is possible that the CFC will be required to directly finance MAETUR, which has been unable to repay a loan, or SIC, which owes CFC 32 billion FCFA.³¹³

Banks

Most banks in Cameroon, especially the locally-owned banks, are considered to be undercapitalized, as they have a capital adequacy ratio of less than 8%. Despite the minimum capital being increased from US\$ 2,000,000 to US\$ 4,000,000, they are still considered to be undercapitalized as most have a leverage ratio below 5%. To help ensure that banks maintain liquidity, the regulatory framework stipulates that: (a) total loans to one borrower must not exceed 45% of capital funds; and (b) total loans

³¹⁰ Lowe, "Tontines in Africa: A Case Study of Cameroon."

³¹¹ Groupe Huit, "Évaluation des Capacités des Acteurs Publics et Privés du Secteur de l’Habitat Social au Cameroun."

³¹² Ibid.

³¹³ Ibid.

to borrowers representing over 15% of capital fund, must not in aggregate exceed the total of net capital. There are however no protection schemes in the form of deposit insurance or reserve asset requirements, except for the prudential regulations in place and monitored by COBAC.³¹⁴

The minimum amount to open an individual current or savings account in most banks is about US\$ 400; and ranges between US\$ 300 and US\$ 10,000 for corporate accounts. These reportedly excessive requirements are compounded by cumbersome administrative procedures, and sizable minimum balances and maintenance fees.³¹⁵

Microfinance institutions

Liquidity is a problem for the MFI sector, with many MFIs only able to satisfy up to 5% of the loan demand at any one time.³¹⁶ To ensure that MFIs maintain liquidity, COBAC has issued regulations and prudential norms for the control and supervision of their activities, which are summarised in Table 29. These prudential regulations and norms establish requirements with respect to liquidity and solvency. Hence, MFIs are required to maintain a liquidity ratio of at least 100%. To ensure solvency, there is a minimum capital requirement 50 million FCFA (about US\$ 104,000) for Category 2 MFIs 25 million FCFA (US\$ 52,000) for Category 3 MFIs; but none for Category 1 MFIs. Attention is also paid to the distribution of risk, resource processing (transformation ratio) and use of external financing, which should not exceed 50% of equity.³¹⁷ However, a number of players in the MFI sector have disregarded the norms leading to their unacceptable performances and consequent closure.

MFIs often turn to commercial banks for franchising services such as management of liquidity, funding and money transfers; while others create partnerships with banks. For example, in 2010, EB-Accion Microfinance was formed by Accion International, a non-profit organization with a network of 29 MFIs in 23 countries in Latin America, Asia, Africa and the United States; and Ecobank, the largest banking network in Africa, with more than 2,100 branches in 37 countries. According to a 2010 press release, EB-Accion expects to enlist 83,000 savings accounts holders in its first five years of operation, with total deposits of around US\$ 36 million; and to serve 33,000 active borrowers, with an outstanding loan portfolio of US \$37 million, during the same period.³¹⁸ Based in Douala, EB-Accion offers microfinance services to micro and small entrepreneurs, but does not offer HMF loans, despite Accion International having a HMF portfolio.

³¹⁴ Halle, "Banking in Cameroon (An Overview)."

³¹⁵ IMF, "Cameroon: Selected Issues," *IMF Country Report No. 07/287* (Washington, DC: International Monetary Fund, 2007).

³¹⁶ CAHF, "2013 Yearbook - Housing Finance in Africa: A Review of Some of Africa's Housing Finance Markets."

³¹⁷ MicrofinanzaRating, "Crédit Communautaire d'Afrique (CCA) - Cameroon."

³¹⁸ Ecobank, "Ecobank and ACCION launch microfinance operations in Cameroon," *Press Release* (2010).

Table 29: Prudential norms for the control and supervision of microfinance institutions' activities

Norms Description	Requirement
Solidarity funds as a percentage of Capital	>=40%
Obligatory reserves norms	>=40%
Risk coverage ratio	>=10%
Ratio of highest debtor-Highest debtor as a percentage of total debt	<=15%
Assets coverage ratio	>=100%
Administrators, management and employees engagement	<=30%
Credit /resource ratio or transformation ratio	<=70%
Ratio relative to line of financing received	>=50%
Liquidity Ratio	>=100%
Limit of other activities carried out	<=20%
Biggest Shareholder ratio	<=20%
Norme de prise de participation	<=15%

Source: Fotabong, 2012, p.12³¹⁹

Tontines

Tontines in Cameroon, in their more modern form, are becoming more elaborately organised, with articles of association, bye-laws and rules of procedure. Liquidity is ensured through the membership, rate of contribution and frequency of meetings. Depending on the tontine cycle agreed on by the group—usually 18 to 24 months—the number of members and the individual contributions are fixed, as it is possible that an individual may wish to contribute more than one share at each meeting. Meetings then take place according to the timetable fixed by the group. Meetings are often held monthly on specific days, for instance the 15th of every month or the last Sunday of the month. The monthly contribution and bulk prize are clearly defined in the Articles of Association.³²⁰

G. Loan Servicing

In Cameroon, the use of non-cash payment instruments is limited. Time consuming cash withdrawals and deposits at financial institution branches are the common way to access deposited funds and to service deposit accounts and loan repayments. While the number of automated teller machines (ATMs), estimated at about one hundred, is steadily increasing, internet banking is still limited, with a central issues being low internet penetration (6.5% in 2013 according to Internet Worldstats, 2014).³²¹

The mechanics of loan servicing in the Government social housing programme are explained in **Error! Reference source not found.** In addition to opening a savings account through the CFC website, Cameroonians in the diaspora can pay into their housing savings account through a special account, details of which are provided on the CFC website. In addition, they can also service their CFC housing loan through the same account at no cost.

In the case of tontines, the interest/discount for the bulk prize is collected at source, whereby the beneficiary receive the bulk prize less the interest/discount, as explained in Box 11.

³¹⁹ Fotabong, "The Microfinance Market of Cameroon: Analyzing Trends and Current Developments."

³²⁰ Lowe, "Tontines in Africa: A Case Study of Cameroon."

³²¹ IMF, "Cameroon: Selected Issues."

H. Enforcement

In 2010, Cameroon scored only 3/10 on the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders; but this score doubled to 6/10 in 2014, as shown in Table 30. With regard to the ease of access to, and quality of credit information, Cameroon scored 2/6 in 2010 and the same again in 2014. The public credit information registry covers only 8.9% of the adult population, and there are no private institutions providing credit information.³²² The lack of current and reliable financial and credit information on potential borrowers is a major challenge as it is difficult to assess borrowers' creditworthiness and allocate credit more efficiently.

Table 30: Summary of scoring for the getting credit indicators in Cameroon

Getting Credit data	Doing Business 2010	Doing Business 2014		
	Cameron	Cameron	SSA average	OECD high income average
Strength of legal rights index (0-10)	3	6	6	7
Depth of credit information index (0-6)	2	2	3	5
Public registry coverage (% of adults)	1.8	8.9	7.8	42.9
Private bureau coverage (% of adults)	0.0	0.0	25.2	73.9

Source: World Bank's Doing Business 2010, 2014

Apart from the regulation by the Ministry of Finance of bank charges and other charges such as charges on foreign exchange transactions, there is no broad consumer protection regulations to shield consumers from unfair treatment.³²³

MFIs face a number of challenges with respect to loan collection and the realization of collateral. Only a small number register collateral officially owing to ignorance and costly registration procedures. It is therefore more difficult for them to realize collateral through the courts, than for banks.³²⁴ However, the amendments to the OHADA Uniform Act on Secured Transactions and General Commercial Law, which became enforceable on 15th May 2011, broadened the range of assets usable as collateral (including future assets), and have hence improved access to credit and strengthened legal rights.

One of the weaknesses identified in a SWOT analysis of the microfinance sector in Cameroon is growing bad debts and doubtful loans, and laxity in the realization of defaulters guarantee. This is perhaps as much to do with the management of the MFIs as the borrowers. While there are undoubtedly large numbers of loan defaulters who fail to repay their loans, the poor management capacity and staff quality in many of the MFIs means that they are unable to effectively follow up on borrowers.³²⁵

In the case of tontines, guidelines for discipline, particularly in respect of fulfilling all financial obligations, and sanctions for failure to do so, are explicitly spelled out in the Articles of Association. Statutory sanctions usually range from 5% to 10% of the amount due, and may be applied in the event of payment default—which is however very rare.³²⁶

³²² Khan, "Domestic Resource Mobilization in Sub-Saharan Africa: The Case of Cameroon."

³²³ Akon, "A Critical Look at Banking Sector Regulations in Cameroon."

³²⁴ Fotabong, "The Microfinance Market of Cameroon: Analyzing Trends and Current Developments."

³²⁵ Ibid.

³²⁶ Lowe, "Tontines in Africa: A Case Study of Cameroon."

There has been no concerted effort attempt to regulate the operations of informal financial institutions as they generally do not fall under the jurisdiction or control of the authorities. However, a number have begun voluntary registering with local administrative authorities to facilitate action against members who default on their obligations, such as repaying funds borrowed from the association. Once constituted as a recognised group, they can easily seek legal redress if need be. Such registration for legal protection is not limited to informal financial institutions, but also applies to any grouping of individuals generally referred to in Cameroon as 'Common Initiative Groups' or simply as 'Associations'.³²⁷

I. Gaps and Opportunities

The Government has committed to inject capital into CFC to enable the middle income group to access mortgages or finance to build homes incrementally.³²⁸ This commitment is evidence that the Government is recognizing this form of housing development which is predominant in Cameroon, and presents a significant opportunity to expand access to housing finance to underserved segments of the market. Most analysts see growth opportunities in offering financial services to the country's mass 'unbanked' population and tapping the vast potential of the informal sector, which employs the overwhelming majority of the population. Indeed, The Ministry of Finance is pressuring banks to extend services to the low-income market with a view to harnessing the potential of the vast informal sector.³²⁹

Despite the extensive coverage (287 localities) and reach (44% of the population) of the sector, the case study found no evidence of any HMF products. HMF is an important extension of the microfinance concept. It differs from working capital loans in a number of respects, as shown in Table 31, and also from mortgage finance, as shown in Table 32. It is very well-suited to the incremental housing development model that characterizes the self-construction process that accounts for the bulk of new additions to the housing stock in Cameroon. The potential of HMF will depend on the MFIs' ability to move beyond the confines of their original product characteristics and more deeply understand and respond to the needs of their clients.³³⁰

³²⁷ Khan, "Constraints and Opportunities for Mobilising Domestic Resources in Africa: The Case of Cameroon."

³²⁸ Shelter-Afrique, "Shelter-Afrique: 2013 Annual Report and Financial Statements."

³²⁹ CBC, "Commonwealth Business Environment Report 2009," (London: Commonwealth Business Council (CBC), 2009).

³³⁰ Nino Mesarina and Christy Stickney, "Getting to Scale in Housing Microfinance: A Study of ACCION Partners in Latin America," *InSight* 21, no. May 2007 (2007).

Table 31: Comparison between Working Capital and HMF Loans

Factor	Working Capital Loan	Housing Microfinance	Differences between Products
Average Loan Sizes	Individual MFIs had average loan sizes between \$300 and \$900.	Average for individual MFIs ranged between \$915 and \$3,312.	HMF typically three times larger than the average working capital loan.
Collateral	Guarantor (co-signer), inventory or a household asset	Guarantor (co-signer). "Guarantees" such as proof of "possession of land/house" that are not legally enforceable are used even if the home is not legally owned. Generally, extended family members actually hold title to the property	Legally, the collateral is the same. Both use "psychological" inducements such as taking a copy of documents for land/ house ownership/ possession.
Loan Terms	3 to 12 months	Up to 36 months; however, generally between 12-18 months	HMF has longer terms, in some cases up to 3 times longer.
Payment Frequency	Generally monthly. In some cases bi-weekly	Generally monthly	None
Interest Rate	Between 25% and 90% (average 48%)	Between 24% and 35% (sometimes higher)	Typically slightly lower for HMF than for working capital loans

Source: Mesarina and Stickney, 2007, p.4

Table 32: Features of Mortgages and HMF Loans

Characteristics	Mortgage-Backed Loans	Housing Microfinance
Target market	Middle to high income clients	Low income clients
Loan term	Long term (Over 5 years)	Short & medium term (< 5 years)
Loan amounts	Large	Small to medium
Loan Use	New house construction House purchase	Home improvement Progressive building
Type of Guarantee	Formal mortgage	Co-guarantor, collateral required for typical microenterprise loans*

*Some MFIs require proof of ownership/possession of property, not as collateral, but to prove that the project will occur in the home of the person asking for the loan.

Source: Mesarina and Stickney, 2007, p.3.4

A significant opportunity arising from the failure of the formal financial sector to provide savings and credit facilities for the low-income and poor, is the tontine system to which a majority have subscribed as an alternative means of accessing finance. Indeed, the MC2 network of MFIs, which has over 60,000 individual members in rural areas, has been able to achieve this outreach through offering financial and other services to both individuals and groups, including tontines.³³¹ However, links between the tontine system and the formal banking sector are weak. In this regard, a study of the complementarity of banks and tontines in Cameroon proposes that the Government formalise tontines by: (i) creating a supreme organ in charge of the regulation and management of tontines; (ii) creating and/or harmonizing tontine regulations; and (iii) imposing taxes on tontines similar to those paid by banks and insurance companies.³³²

³³¹ Kouomou, "Mutuelle Communautaire de Croissance (MC2s), Cameroon: Decentralized Community Banks for Remote Outreach."

³³² Pierre Samuel Nemb and Urie Eleazar Jumbo, "Banks and Tontines: Complementarity or Competition? 'The case of Cameroon'," *International Finance & Business Journal* 1, no. 1 (2011).

4. Conclusion: Recommendations and Policy Implications

The foregoing situation analysis of the housing stock in Cameroon shows that the urban informal sector is playing a paramount role in the country's socioeconomic development, in terms of employment; land supply; housing construction and development; and access to savings and credit. Indeed, over 90% of the economically active population works in the informal sector; about 70% of land is supplied through informal channels; 97% of new housing is built by the informal sector; and tontines account for an estimated 90% of individual loan transactions. However, this role does not appear to be effectively recognized—especially in the housing strategies and programmes that have been formulated and implemented to date.

Hence, this case study concludes that the biggest market failure is arguably the lack of adequate recognition of the informal sector—and in particular, of its role in housing development. . Indeed, the two make a very significant contribution to the GDP; but which, owing to their informality, is substantially undercounted and not included in measures of the performance of the economy.

Government social housing programme

As mentioned above, the Government has conducted or commission several studies aimed at finding solutions to the housing challenge in Cameroon. Most of the studies have however focused on social housing, and many, more specifically, on the financing of social housing. The National Funding Strategy for Social Housing in Cameroon proposes solutions for the major problems identified in the situation analysis of the state of the funding of social housing in Cameroon.³³³ The solutions for the three priority areas for action and programmes are summarised in Table 33.

Table 33: Priority areas and programmes

Priority Axes	Programmes	Priority
Axis 1: Improvement of the institutional environment for the financing of social housing	P1: Implementation of policy reforms in the social housing sector	1
	P2: Promotion of the national strategy for social housing funding	2
	P3: Monitoring and Evaluation of the implementation of the national strategy for social housing funding	3
Axis 2: Implementation of mechanisms for long-term financing of social housing	P4: Establishment of a national housing fund as collateral for loan	3
	P5: Establishment of a national office for social housing	5
	P6: Establishment of a building materials stock exchange	6
	P7: Establish a programme to support operations promoting social housing carried by civil society organizations (cooperatives and mutual housing)	7
Axis 3: Capacity building in the area of financing of social housing	P8: Establishment of a land reserves fund	10
	P9: Strengthening of technical intervention capacity of state and non state actors	8
	P10: Program development and use of local materials for the construction of social housing	9
	P11: Establishment of social housing support offices in communities/CTD	12
	P12: Establishment of a Linking-Learning program	11

Source: After Nguebou, n.d.³³⁴

³³³ Jules Dumas Nguebou, "Stratégie Nationale de Financement du Logement Social au Cameroun: Contexte, justificatifs, élaboration, dispositif de mise en oeuvre combinant épargne + crédit + subventions publiques," (n.d.).

³³⁴ Ibid.

If these priority areas are addressed through the effective implementation of the proposed programmes, there may indeed be an increase in the number of social housing units that are currently being produced. However, they will still remain affordable to only a small minority of the population.

All the senior Government and parastatal chiefs, when asked what the main constraints to increasing the stock of affordable housing in Cameroon were, identified the following three: (i) Access to buildable land; (ii) the cost of housing construction; and (iii) access to finance, in particular by those working in the informal sector. Some of these concerns are addressed through some of the programmes in Table 33, specifically: P6, P8 and P10.

Case study recommendations

This case study concludes that if the housing challenge in Cameroon is to be effectively addressed by increasing the stock of decent, affordable housing, it is imperative that the role of the informal sector is effectively recognized—in its multiple facets in both the supply-side and demand-side value chains.

The recommendations from this case study are summarized in Table 34 and summarily explained below. They focus on the key actions needed to unlock the bottlenecks in the supply-side value chain and demand-side value chain respectively, as articulated in the AHI ecosystem approach. Most of these recommendations have implications for the informal sector’s role in housing supply and demand.

Table 34: Recommended demand side and supply-side actions/interventions

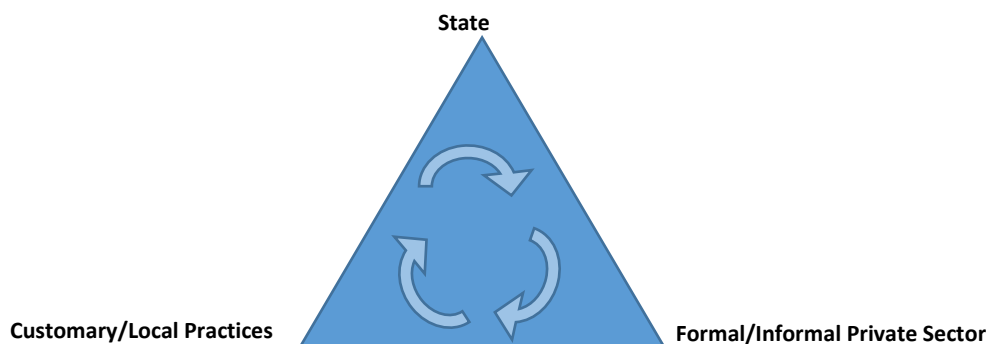
Supply-side value chain	Action/Intervention	Actors
1. Land	<ul style="list-style-type: none"> ▪ Review 2005 land reforms ▪ Integrate customary and informal land allocation and supply systems into the formal system 	<ul style="list-style-type: none"> ▪ MINDCAF ▪ APIC ▪ Traditional leaders
2. Trunk infrastructure	<ul style="list-style-type: none"> ▪ Upgrade informal settlements through provision of basic infrastructure 	<ul style="list-style-type: none"> ▪ MINHDU ▪ CAMWATER
3. Site Layout	<ul style="list-style-type: none"> ▪ Minimum plots sizes should be reduced 	<ul style="list-style-type: none"> ▪ MINHDU
4. Design	<ul style="list-style-type: none"> ▪ Review of housing norms and standards 	<ul style="list-style-type: none"> ▪ MINHDU ▪ CTS-PC ▪ MIPROMALO
5. Construction	<ul style="list-style-type: none"> ▪ Organize, build capacity and engage informal sector small scale contractors and artisans ▪ Promote and use local building materials in Government and developer housing programmes and projects 	<ul style="list-style-type: none"> ▪ MINHDU ▪ MIPROMALO
Demand-side value chain	Action/Intervention	Actors
Finance	<ul style="list-style-type: none"> ▪ Promote housing microfinance ▪ Promote incremental housing finance ▪ Harness the financial and social capital of tontines 	<ul style="list-style-type: none"> ▪ State ▪ CFC ▪ Banks ▪ MFIs ▪ Tontines

Land

The informal real-estate market plays a major role in land supply in Cameroon, as explained in Section 2.C. As affirmed by the AfDB *Diagnostic Study for Modernization of the Lands and Surveys Sectors*, the modernization of lands and surveys is expected to help resolve the problem of integrating the informal real-estate market into the formal market. But as the study further emphasizes, there is need to reconcile the legality of official procedures and the legitimacy of popular but illegal customary/traditional practices, which are recognized and accepted by many people and currently

predominate. The growing quasi-formal practices highlighted in Section 2.C also need to be taken into account. Hence an appropriate approach will integrate and enhance the range of institutions and actors currently involved in land supply and management, as illustrated conceptually in Figure 31.

Figure 31: Conceptual model of integration of land supply institutions and actors



Source: After Royston, 2006³³⁵

The 2005 land titling reform was aimed at streamlining procedures and reducing the cost of titling land, but there are still many challenges, as explained in Section 3.A. A major one is that most land is still held under customary tenure arrangements and administered by traditional rulers, which a growing number of private developers are taking advantage of. The land titling reform should therefore be reviewed, with a view to effectively engaging traditional rulers in the land supply chain, while protecting the rights and interests of other stakeholders. In this regard, SAD’s model of engagement with traditional leaders to provide serviced land for housing development in Douala can serve as a model for good practice.

In addition, “One Stop Shops”, such as those introduced by MINDCAF in 2010 for commercial enterprises, and described in Section 3.A, with interactive websites should be introduced for all land transactions, and in particular for housing.

Trunk infrastructure

Experience shows that providing adequate infrastructure in informal settlements incentivizes improvement of existing housing and new housing development. This is indeed the case in PDUE, summarily described in Section 2.B, which has seen a significant improvement in housing conditions in various project areas, with only minimal displacement of existing residents, as a result of upgrading of infrastructure, especially roads.

Given that an estimated up to 75% of urban dwellers are housed in informal settlements, and that basically none of them could afford the cost of a subsidized housing unit under the Government programme even if they were available, as the analysis in Section 2.B shows, the Government should prioritize upgrading of informal settlements. In this regard, it should channel housing subsidies to slum upgrading and housing improvement in existing informal settlements rather than channelling them all to the Government social housing programme.

³³⁵ Lauren Royston, "Making Urban Land Markets Work for the Poor in the Context of Existing Local Land Access and Transfers Institutions," *Urban LandMark Position Paper 1* (2006).

Site layout

The minimum plot size in urban areas should be reviewed, especially in light of MINHDU's decision to increase it to 300 m² while SAD maintains 200 m² as explained in Section 2.A. This is imperative if autopromotion is to be regularized, as plots are the basis for such new housing construction. Plot size and dimension also have significant implications for provision of trunk infrastructure (water supply, sewerage, roads and electricity), and hence the affordability of serviced land for housing development.

Design

The on-going review of housing standards, mentioned in Section 2.D, needs to be prioritized and expedited. MINHDU needs to lobby for and source funding for this purpose, if not from central Government then from funders such as the World Bank and AfDB. The fact that both are undertaking studies of the housing situation in African countries is evidence of their interest in the sector.

MINHDU should also ensure that the formulation of norms for social housing by the CTS-PC is a comprehensive and consultative, participatory process, in which MIPROMALO should be actively involved. The formulation of the norms—in particular those being formulated for application in the vast low-income construction project to be executed by Chinese companies—should ensure appropriate use of the local building materials that MIPROMALO has been promoting and successfully demonstrated.

Design standards also have implications for the award of contracts for housing development projects to the various categories of contractors in the formal and informal sectors, mentioned in Section 3.F.

Construction

The role of informal sector small scale contractors and artisans should be comprehensively evaluated with a view to effectively engaging them in the housing development sector, and in particular in the Government social housing programme. The current model of collaboration illustrated in Figure 29 should be formalized, and MIPROMALO and APIC's efforts to support informal artisans fully supported by MINHDU. In this regard, a rapid assessment of the failure of the Government programme in this respect to date should be carried out.

The use of local building materials, in particular those being promoted by MIPROMALO should be allowed in the revised building by-laws; and encouraged through subsidization and tax incentives. This should be done for both the Government social housing programme and developer housing, in particular initiatives such a PACHAS which is being implemented by CEGeP and specifically targeting low income households, as summarily described in Section 2.B.

Finance

Access to housing finance is a critical constraint which needs to be urgently addressed if there is to be any significant improvement in the quantity and quality of the housing stock. In its Annual Report 2013, Shelter-Afrique, recommends: *"In order to realise the full potential of the housing market, the government should continue with the land reforms, and implement financial market reforms as recommended by the African Development Bank and the International Monetary Fund."*³³⁶ The current case study upholds this recommendation.

³³⁶ Shelter-Afrique, "Shelter-Afrique: 2013 Annual Report and Financial Statements."

Shelter-Afrique further recommends that the Government should continue with the reform of the microfinance sector to enable it to play a more significant role in housing finance.³³⁷ In this regard, despite the extensive coverage and reach of the sector, HMF has yet to establish its roots in any significant manner. As explained above, HMF is an important extension of the microfinance concept, with substantial potential to increase the rate, scale and quality of housing supply. Furthermore, it is very well-suited to the incremental housing development model which is the dominant mode of housing delivery in Cameroon. It should therefore be proactively promoted and supported through, for example, capacity building/ management training and technical assistance for loan products.

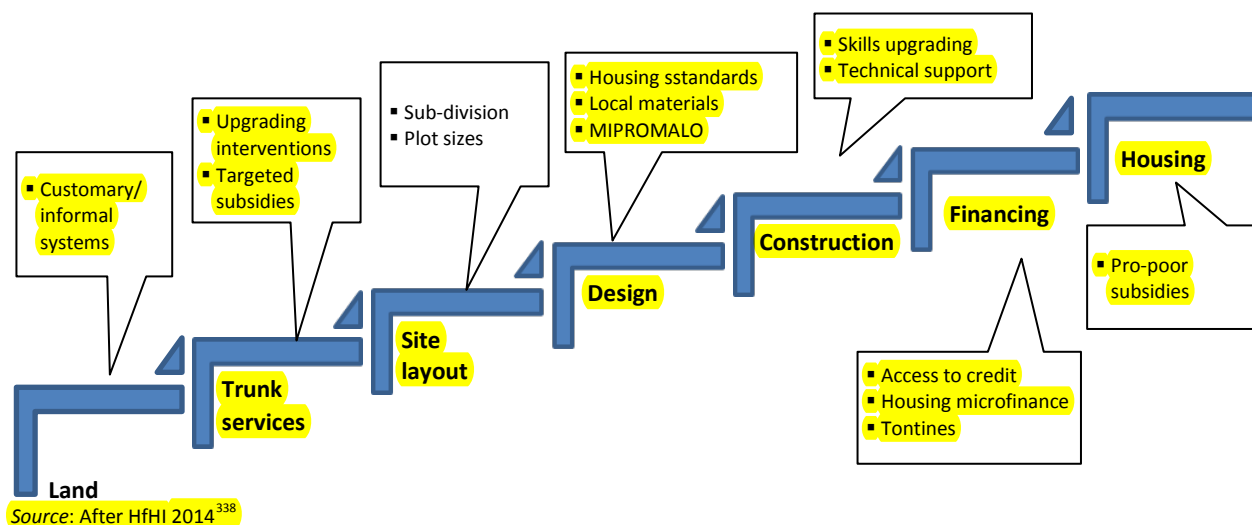
Ways should be found to effectively harness the massive financial and social capital of the tontine system, described in Section 4.C—to which over 50% of the population subscribes and which accounts for an estimated 90% of individual loan transactions—without totally destroying its essence. Hence, for example, the introduction of a regulatory framework should incorporate the mutual relationship principles underpinning the social control and financial functionality and viability of tontines.

Private developers

The Government should strengthen and expand its on-going support for private developers, which includes creation of land reserves to ensure among other things, ready availability of urban land for housing development for private developers. This should be done in collaboration with traditional leaders. The Government should also encourage private developers to implement more low-income housing schemes, such as the PACHAS which CEGeP has launched, and which is described in Section 2.B. Such schemes should be implemented in partnership with MINHDU and MIPROMALO, and encourage the use of smaller plots sizes, more efficient space standards, and use of local materials with appropriate finishes. APIC should play a leading role in this regard.

Figure 32 summarily illustrates the recommended key intervention areas.

Figure 32: Recommended key intervention areas



³³⁷ Ibid.

³³⁸ HfHI, "Shelter Report 2014: Step by Step: Supporting Incremental Building Through Housing Microfinance," (Atlanta: Habitat for Humanity International, 2014).

Annexes

Table 35: ILO unemployment rate by region following the sex and the area of residence following the sex (%)

Survey region	Urban			Rural			Overall		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Douala	5.7	13.4	9.1	–	–	–	5.7	13.4	9.1
Yaoundé	7.4	13.0	10.0	–	–	–	7.4	13.0	10.0
Adamawa	6.3	8.9	7.2	3.2	1.8	2.6	4.4	4.2	4.3
Centre	4.1	12.4	7.9	1.8	0.6	1.2	1.9	1.1	1.5
East	7.3	7.7	7.4	1.6	3.5	2.4	2.3	3.9	3.0
Far-North	6.7	3.5	5.5	0.7	0.8	0.8	1.2	0.9	1.1
Littoral	3.0	1.6	2.3	1.1	2.5	1.8	1.9	2.1	2.0
North	5.5	10.8	7.5	1.8	0.0	0.9	2.4	1.2	1.8
North-West	2.2	5.7	3.7	0.4	0.4	0.4	0.8	1.2	1.0
West	3.5	4.6	4.0	0.5	0.7	0.6	1.6	1.9	1.8
South	5.4	16.5	10.7	1.0	6.2	3.3	2.2	9.4	5.5
South-West	8.5	10.7	9.5	4.3	3.2	3.8	9.5	3.9	4.4
Overall	5.8	10.8	8.1	1.5	1.3	1.4	3.1	4.5	3.8

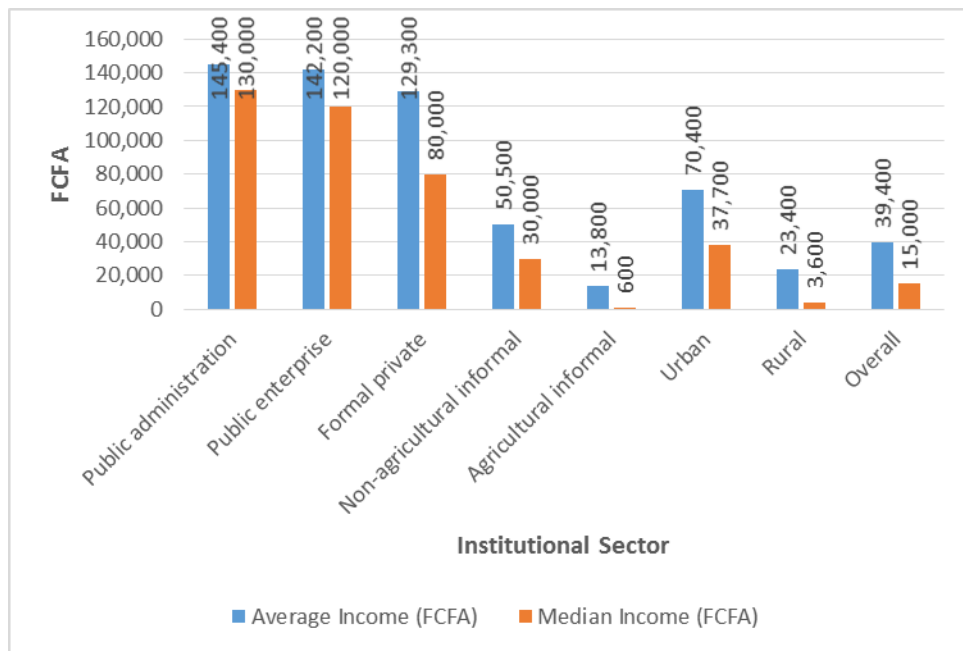
Source: EESI 2. Phase 1. Main Report: Table 4.8. p.64

Table 36: Remuneration in the informal sector

Sector and branch of activity	Average income (000's CFAF)	Median income (000's CFAF)	Percentage earning below minimum wage	Average income per hour (CFAF)
Industry	41.8	15.0	62.6	294.4
Food industry	22.0	10.0	78.6	207.0
Manufacturing	29.7	6.0	71.0	170.5
Other industries	80.2	35.0	44.8	445.5
BPW	77.8	60.0	18.4	469.8
Commerce	52.1	26.0	52.6	298.7
Wholesale trade	109.7	96.0	25.5	656.4
Retail sale trade	45.8	23.0	55.5	261.8
Services	53.1	31.0	47.1	300.7
Transport	68.8	60.0	26.7	304.5
Catering	48.0	27.0	51.6	306.1
Repair	41.2	22.0	59.7	203.8
Other services	53.1	29.0	49.7	330.5
Sex of the worker				
Male	64.2	38.0	42.2	361.4
Female	33.4	15.0	66.7	225.7
Status of the worker				
Proprietor/Boss	105.1	66.0	29.3	646.4
Own account worker	49.6	27.0	51.6	296.7
Wage earner	56.0	36.0	39.2	307.6
Apprentice	2.4	0.0	98.3	11.0
Family aid	0.2	0.0	99.7	2.9
Associate	51.2	20.7	58.8	431.5
Level of education of the worker				
Non educated	22.5	2.0	72.9	155.7
Primary	40.7	20.0	57.7	254.9
Secondary 1st cycle	53.7	30.0	49.2	308.0
Secondary 2nd cycle. higher	74.2	44.0	39.7	446.3
Apprenticeship of the worker				
Technical school	80.7	57.0	32.2	444.1
Big enterprise	85.6	52.0	30.9	
Small enterprise	42.5	20.0	56.6	249.5
Self-taught. by practice	47.1	23.0	56.2	298.7
Overall	48.4	24.0	54.8	297.9

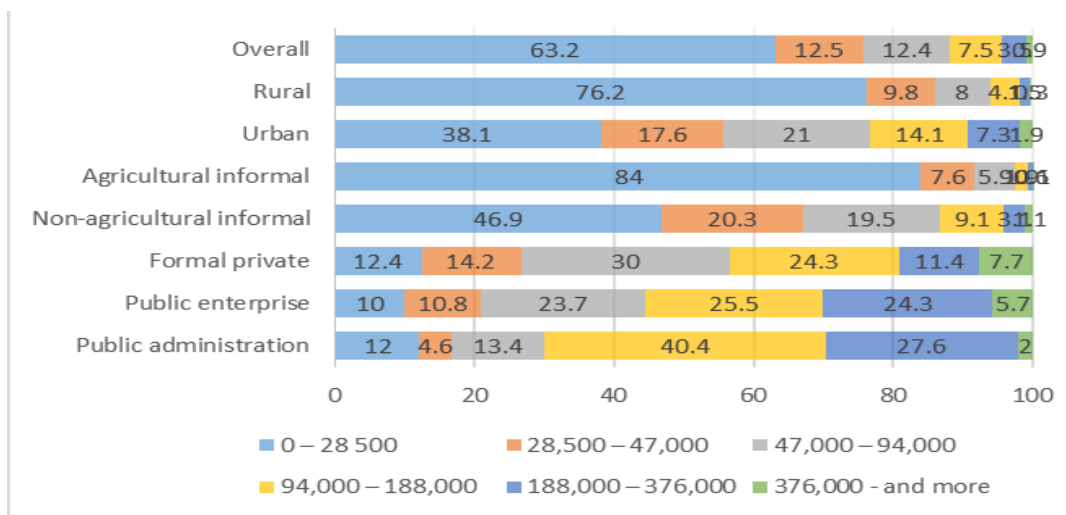
Source: EESI 2 Informal Sector Survey – Main Report: Table 2.11. p.29

Figure 33: Average and median income by institutional sector and urban/rural areas³³⁹



Source: EESI 2 Survey on Employment – Main Report: Table 6.2. p.78

Figure 34: Income bracket distribution by institutional sector and urban/rural areas³⁴⁰



Source: EESI 2 Survey on Employment – Main Report: Table 6.2. p.78

³³⁹ See also Table 58 in the Annexes.

³⁴⁰ See also Table 58 in the Annexes.

Table 37: Distribution (%) of households by housing structure type

Housing typology	1976			1987			2005				
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Douala	Yaoundé
Detached house	46.6	34.9	38.2	39.5	43.7	42.1	35.0	39.8	37.3	39.3	26.7
Modern Villa	3.5	0.3	1.2	4.0	0.4	1.8	3.6	0.4	2.1	5.5	5.2
Multi-dwelling unit	25.3	9.3	13.7	29.7	6.5	15.4	28.8	7.6	18.7	29.2	45.5
Flats/apartment building	1.0	0.1	0.4	2.2	0.2	1.0	5.0	1.1	3.2	6.2	4.4
Concession/saré	21.4	54	44.9	24.4	48.3	39.1	26.1	49.4	37.2	17.9	16.7
Other	2.2	1.4	1.6	0.2	0.9	0.6	1.5	1.7	1.5	1.9	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

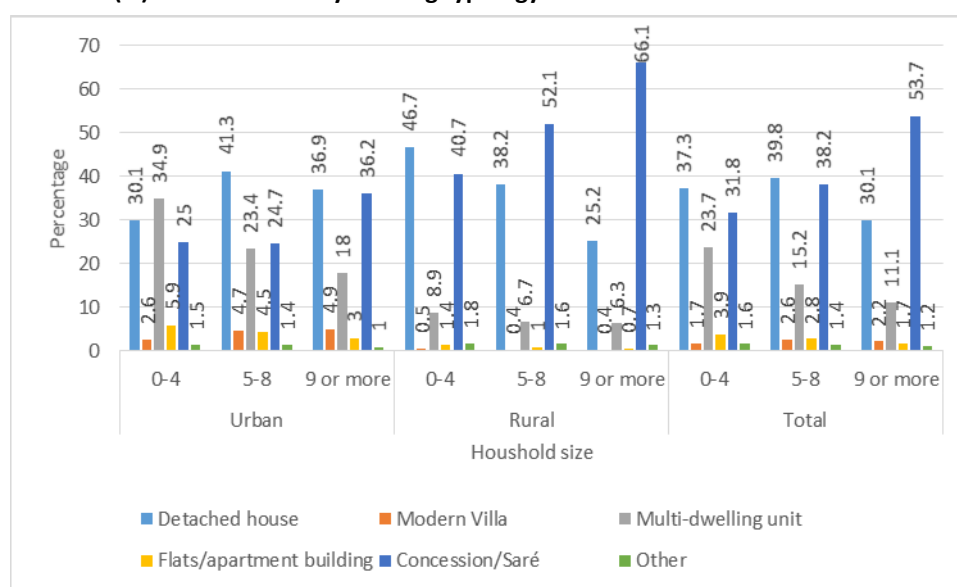
Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.2. p.23

Table 38: Distribution (%) of households by housing typology and household size

Housing typology	Household size								
	Urban			Rural			Total		
	1 - 4	5 - 8	9 or more	1 - 4	5 - 8	9 or more	1 - 4	5 - 8	9 or more
Detached house	30.1	41.3	36.9	46.7	38.2	25.2	37.3	39.8	30.1
Modern Villa	2.6	4.7	4.9	0.5	0.4	0.4	1.7	2.6	2.2
Multi-dwelling unit	34.9	23.4	18	8.9	6.7	6.3	23.7	15.2	11.1
Flats/apartment building	5.9	4.5	3	1.4	1	0.7	3.9	2.8	1.7
Concession/Saré	25	24.7	36.2	40.7	52.1	66.1	31.8	38.2	53.7
Other	1.5	1.4	1	1.8	1.6	1.3	1.6	1.4	1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.7. p.28

Table 39: Distribution (%) of households by housing typology and household size³⁴¹



Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.7. p.28

³⁴¹ See also Table 49 in the Annexes.

Table 40: Tenure status by employment sector of household head

Tenure	Public	Formal private	Agricultural informal	Non-agricultural informal	Unemployed persons	Retired	Inactive	Overall
Owner with land title	15.5	18.8	8.6	10.1	13.0	40.4	17.4	11.4
Owner without land title	17.7	16.3	78.0	31.1	19.8	50.1	40.	48.5
Tenant	58.7	54.0	7.7	49.2	54.9	9.2	33.9	32.2
Tenant purchase	0.3	0.5	0.0	0.9	0.0	0.0	0.4	0.4
Housed by employer ³⁴²	3.6	4.7	0.4	1.2	0.6	0.0	0.7	1.2
Housed free by relative or friend	3.5	5.3	5.0	7.3	11.7	0.3	7.0	6.0
Other	0.6	0.2	0.2	0.3	0.1	0.0	0.4	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: EESI2. Phase 1: Table 3.2. p.33³⁴³

Table 41: Distribution of employed persons by sector and activity, and according to the area of residence and sex

Institutional sector	Area of residence		Sex		Overall
	Urban	Rural	Male	Female	
Public	11.4	3.0	7.2	4.3	5.8
Formal private	8.3	1.3	5.3	1.9	3.7
Non agricultural informal	69.9	20.7	38.9	35.9	37.5
Agricultural informal	10.4	75.0	48.5	57.9	53.0
Total	100.0	100.0	100.0	100.0	100.0
Sector of activity					
Primary	10.5	75.4	48.9	58.1	53.3
Industry	21.9	7.8	12.9	12.2	12.6
Commerce	20.1	6.5	10.6	11.6	11.1
Services	47.5	10.4	27.5	18.1	23.0
Total	100.0	100.0	100.0	100.0	100.0

Source: EESI 2. Phase 1. Main Report: Table 4.8. p.48³⁴⁴

³⁴² Cameroon's Labour Code requires an employer to provide housing that is adequate and commensurate with the family status of the employee, for any employee they transfer to work outside their normal place of residence. If no housing is provided, the employer is obliged to pay the employee a housing allowance (Law No. 92/007 of 14 August 1992).

³⁴³ NIS, "Second Survey on Employment and the Informal Sector in Cameroon (EESI 2): Phase 1: Survey on Employment – Main Report."

³⁴⁴ Ibid.

Table 42: Distribution of households by type of wall material between 1976 and 2005

Wall material	1976			1987			2005			2005	
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Douala	Yaoundé
Concrete/Concrete blocks/ Fired bricks	18.1	3.1	7.4	31.6	6.1	15.9	49.1	8.2	29.7	65.4	57.9
Stone/Masonry blocks	0.5	2.8	2.1	0.3	1.2	0.8	1.0	1.4	1.2	1.0	1.0
Sun-dried bricks	34.8	64.3	55.9	31.8	64.3	51.8	19.9	39.6	29.2	4.6	9.6
Wooden boards/planks	10.2	1.8	4.2	13.5	6.1	8.9	10.7	5.6	8.2	20.0	7.6
Rammed earth/Pisé	12.5	15.5	14.6	14.1	14.1	14.1	14.0	39.1	25.9	0.8	21.3
Carabot (plywood)	22.3	4.8	9.8	8.0	1.7	4.2	4.7	4.0	4.4	7.7	1.9
Other	1.6	7.7	6.0	0.7	6.5	4.3	0.6	2.1	1.4	0.5	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.10. p.33

Table 43: Distribution (%) of households by type of floor material

Floor material	1976			1987			2005			2005	
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Douala	Yaoundé
Cement	53.5	7.1	20.3	67.5	14.5	34.9	74.4	20.4	48.8	80.6	80.4
Tile/Marble	-	-	-	4.8	0.4	2.1	7.6	1.6	4.7	10.9	12.7
Wood	0.5	0.4	0.4	0.1	0.5	0.4	0.3	1.2	0.8	0.2	0.2
Earth	45.3	90.1	77.4	27.3	84.4	62.5	17.6	76.5	45.6	8.2	6.6
Other	0.7	2.4	1.9	0.3	0.2	0.1	0.1	0.3	0.1	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.16. p. 44

Table 44: Distribution (%) of households by type of roof material

Roofing material	1976			1987			2005			2005	
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Douala	Yaoundé
Metal sheets or tiles ³⁴⁵	44.8	80.9	30.4	68.9	92.8	54.0	77.2	95.0	57.6		
Sheet metal										97.0	97.3
Tiles										0.3	0.3
Cement/concrete	0.3	0.9	0.1	0.7	1.5	0.1	0.8	1.2	0.2	2.5	2.1
Thatch/Straw/Mat	50.9	16.4	64.6	28.2	4.4	43.0	21.3	3.5	41.0	0.1	0.1
Earth	2.6	1.4	3.1	1.7	1.2	2.1	0.6	0.2	1.0	0.0	0.1
Other	1.4	0.4	1.8	0.5	0.1	0.7	0.1	0.1	0.2	0.0	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 3^{ème} RGPH Vol. II - Tome 05: Table 2.13. p.39

³⁴⁵ In 1987 and 1976, sheets and tiles were classified in the same category.

Table 45: Proportion (%) of the population with access to safe drinking water and improved sanitation facilities

Region	Safe drinking water			Improved sanitation facilities		
	2001	2005	2010	2001	2005	2010
Douala	83.5	90.0	96.4	70.6	75.5	85.4
Yaoundé	93.0	91.4	89.1	79.8	78.8	85.8
Adamawa	41.8	40.4	60.7	47.2	42.7	60.6
Centre without Yaoundé	23.5	47.6	58.8	31.4	40.4	37.9
East	12.8	26.7	25.3	33.1	44.3	35.8
Far North	40.7	32.9	37.8	27.2	15.2	16.9
Littoral without Douala	56.2	67.6	78.6	58.4	54.2	66.8
North	42.8	28.0	35.4	27.4	12.4	32.6
Northwest	47.9	52.0	51.5	27.1	35.8	56.2
West	29.6	38.2	59.7	43.5	47.6	56.4
South	33.	9.7	44.3	57.5	52.2	55.6
Southwest	78.2	66.	5.4	55.3	49.2	61.4
Place of residence						
Urban	84.4	84.6	88.5	77.3	75.0	81.3
Rural	31.2	32.8	42.0	27.4	24.2	34.3
Cameroon	49.7	50.5	59.8	44.7	41.5	52.4

Source: INS, ECAM2, EESI1, & EESI2, cited in MDG National Report, 2012, p.34, p.35

Table 46: Distribution (%) of households by energy source for lighting and place of residence

Energy source for lighting	1976			1987			2005		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Electricity	19.2	0.5	5.9	52.3	3.7	22.4	80.7	16.4	50.2
Gas ³⁴⁶	-	-	-	0.1	0.1	0.1	1.4	1.0	1.2
Kerosene/Paraffin	78.7	71.0	73.1	47.3	91.1	74.3	16.2	71.0	42.3
Other	2.1	28.5	21.0	0.3	5.1	3.2	1.7	11.6	6.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: 3^{ème} RGPH Vol. II - Tome 05: Table 3.2. p.49

Table 47: Housing conditions and access to basic services 2001 and 2007

	2001			2007			2010		
	Urban	Rural	National	Urban	Rural	National	Urban	Rural	National
Walls built of permanent materials	69.8	63.2	65.5	79.1	68.6	72.5			
Floor built of permanent materials	88.4	28.2	49.2	88.3	28.5	50.6			
Roof built of permanent materials	99.5	66.3	77.9	99.3	64.6	77.5			
Access to drinking water	61.5	29.3	40.6	75.1	27.7	45.3	88.5	42.0	59.8
Decent toilet	75.2	25.4	42.8	66.4	14.2	33.6	81.3	34.3	52.4
Electric lighting	88.2	24.6	46.8	90.4	23.4	48.2			
Garbage collection	46.1	1.3	17.0	52.1	2.0	20.6			
Possession of a mobile phone	19.9	1.0	7.6	81.4	23.4	44.9			

Source: NIS. ECAM3, p.20³⁴⁷; and MDG Report 2012.³⁴⁸

³⁴⁶ In 1976, gas was not included in the questionnaire.

³⁴⁷ NIS, "Troisième Enquête Camerounaise auprès des Ménages (ECAM3): Tendances, Profil et Déterminants de la Pauvreté au Cameroun entre 2001-2007."

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