

Terms of Reference
Housing Investment Chronicles
CAMEROON

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1. INTRODUCTION

Cameroon is a lower middle-income country with a population of approximately 25 million covering 475 440 m². It is 55.8 percent urbanised with an urbanisation growth rate of 3.6 percent and a population growth rate of 2.5 percent. Its demographic features lead to various issues that challenge the well-functioning of public policy such as access to social housing and housing finance.

In 2018, the unemployment rate in Cameroon was 4.3 percent with a projection of 3.9 percent in 2020 and underemployment reported at about 76 percent of the workforce. The formal income indications are relatively low. The average monthly household income in the formal public sector is CFA 150 000 (US\$270); the average household income in the private sector being at CFA 175 000 (US\$315). Based on this information, less than five percent of the urban households can afford the cheapest newly built house priced at CFA 19 587 750 (US\$32 850). However, formal income averages, although widely used to measure affordability are often a partial reflection of a household's ability to invest in housing. This is mainly due to the ways in which these income averages are calculated, specifically it's exclusion of informal and non-declarable income sources.

In Cameroon, the informal sector represents an important component of the financial landscape with a total deposit of US\$1 billion and over 50 micro finance institutions (MFIs) for a growing client based. The most popular micro credit model is called njangi or tontines. It is a rotating savings model usually made up of people of the same social class, class community, etc. who generally use the loan or savings for housing purposes. Therefore, in an African context where 60 percent of non-agricultural labor exists in the informal sector, the ways in which we quantify (housing) affordability needs urgent redress.

Building a better understanding of these instruments is essential to facilitate the development and down-market penetration of housing finance instruments.

2. PROJECT BACKGROUND AND OBJECTIVES

With the aim of stimulating the creation of housing finance instruments that are more responsive to household needs, resources and spending habits, Center for Affordable Housing Finance in Africa (CAHF) launched its Housing Investment Chronicles (HIC) project in November 2016.

CAHF recognises that stimulating investment in the housing and housing finance sector requires an in-

depth understanding of the way households themselves invest in housing. The HIC uses qualitative research methods to chronicle the housing investment strategies of low-income households in Cameroon. The research aims to build an investment profile of these households by answering key questions around time, financing, housing typology, land and title, investment priorities and key barriers to accessing housing finance. The proposed research builds on the research of the Financial Diaries by asking for accounts from households on their housing in a manner that accounts for longer-term investment. The research will chart each household's housing investments along a timeline, drawing on the framework of the housing delivery value chain.

RESEARCH GOAL

The overall goal of the research is to facilitate down market penetration of affordable housing finance packages that are responsive to the ways in which households invest in their housing.

RESEARCH OBJECTIVE

The research aims at chronicling the personal housing investment journeys of participants over time. It will draw on the personal stories of respondents to inform targeted recommendations to decision-makers in both the public and private sphere. The specific objectives of the research relate to four thematic areas.

- (i) **The Housing Investment Decision:** Under this theme the research aims to,
 - map household income sources and quantify average household incomes;
 - map the various financial instruments, processes and institutions used by low and middle-income households and;
 - log the household-level housing investments made over time
- (ii) **Securing Land:** Under this theme the research aims to,
 - log both the formal and informal steps/processes taken to secure land for housing over time; and
 - develop a list of formal and informal institutions used to access land for housing
- (iii) **the Housing Construction Process:** Under this theme the research aims to,
 - log the steps/processes followed to construct a house; and
 - map both the formal and informal institutions used to construct a house
- (iv) **Financing the Housing Investment:** Under this theme the research aims to,
 - log the steps/processes followed to finance housing; and
 - map both the formal and informal institutions used to finance a house

3. PROJECT SCOPE AND DELIVERABLES

DELIVERABLES

- I. **Household survey data and investment chronicles (micro-case studies):** Interviews will be organized into a collection of case studies that ‘chronicle’ the investment decisions of each household. These chronicles can be defined as data rich stories on the investment journeys of each respondent.
- II. **Housing Investment Chronicles Dissemination strategy:** a comprehensive dissemination strategy will be designed to facilitate the development of appropriate policies, products and services that meet the actual needs of housing investors.
- III. **Research paper on Household Level Housing Investments in Cameroon:** The research paper will draw key learnings from the household surveys to identify opportunities for more targeted investment in housing and housing finance packages for low and middle-income households. In addition, the report will outline key barriers to accessing housing finance amongst these households.
- IV. **Infographic/motion graphic materials:** Data from the household surveys will be used to create data rich visuals on household level housing investment decisions in Cameroon. These will be integrated into various country level activities.
- V. **Housing finance/mortgage access toolkit (consumer education):** A key objective of the research is to identify barriers to accessing housing finance in the formal market. This includes access to both public and private housing finance packages. The research project will therefore develop a housing finance access toolkit that maps the procedures that households need to follow to access existing housing finance packages. This will provide prospective buyers with a clear benchmark for how accessible or inaccessible the current housing finance packages are to them instead of them speculating around this. The toolkit will include a checklist of eligibility criteria and suggest ways in which households can incrementally access finance that is most appropriate to their resource needs. This toolkit will be offered to interview respondents as a form of knowledge exchange.

4. METHODOLOGY

This research can be done in English or in French based on the preference of the consultant.

Data will be gathered using household surveys in the form of a questionnaires. This will include both open-ended and close-ended questions. These questionnaires will be designed to gather useable data on the time, human and financial capital required to either build or purchase a home in Cameroon, the housing typology and its incremental construction or improvement as well as the process of acquiring land and title. These will form the main research themes. The CAHF data team will also identify information data points required to update the Hofinet Cameroon Survey¹ as well as those relevant to CAHF's Housing and the Economy Model and include this into the household survey. This data will also be used to create various info and motion graphic content on the Cameroon household level investment and will be used across CAHF's country level projects.

Questions relating to the above-mentioned themes are outlined below.

- I. Time: How long does it take to construct and/or purchase a house and how are available resources invested in housing over time?
- II. Financing: What are the various instruments—both formal and informal, credit and other—that households use, and when, to finance their housing process?
- III. Housing typology: Which building materials are used? Where are they purchased? Are building materials saved up before building? Is construction undertaken by the household or a contractor? Do households construct and manage rental accommodation on their properties?
- IV. Land and title: Do households have formal or informal title? How did they access the land? Are they able to sell the property?

Household surveys will be designed to extract useable information around the four themes so that they provide insights into new product and services development potential. These insights will be translated into recommendations around key interventions that can be made to facilitate more efficient housing processes for low-income population in Cameroon.

¹ The Centre for Affordable Housing Finance in Africa (CAHF) works with the Housing Finance Information Network (HOFINET) to consolidate, and make widely available, African housing finance information and knowledge. With HOFINET, we conduct surveys to produce standardised sets of housing market, housing finance and policy measures that are tested internationally and can be expanded and adjusted over time.

5. PROJECT MILESTONES

Proposals for the project should be submitted electronically by June 26, 2020. Electronic proposals are required and should cover the consultant's interpretation of and approach to the brief. Proposals should not be longer than five pages, excluding CVs and company documents if these are not already held by CAHF.

It is anticipated that the project will be finalised by June 30, 2020. The following deadlines will apply

Milestone	Expected Deadline	Disbursement
Meeting with CAHF to identify data points in the HH Survey	July 6 2020	
Finalization implementation plan and Survey design	July 20, 2020	
Hand- over of raw survey data AND Presentation (via skype) To small group of CAHF Staff on research findings and draft report.	August 20, 2020	
Comments from CAHF Staff	August 28, 2020	
Final Report	September 15, 2020	

6. CONTENTS OF THE PROPOSAL

Proposals to undertake this project must include:

1. A response to the ToR, demonstrating familiarity with the subject matter, expansion on the proposed methodology and key issues for consideration in the work. To this end, the consultant should consider the diversity of local housing context in Cameroon.
2. A detailed work plan, demonstrating the feasibility of the proposal.
3. Statement of qualifications of all relevant firm(s). Note that capacity to engage with households in local languages is an advantage
4. Name and CV of staff members responsible (i) for overseeing the work; (ii) for undertaking the work. Some level of local representation in the countries targeted for the study would be preferred.
5. Fee proposal and costs estimates, indicating the basis of calculation of fees, including cost of travel if necessary.
6. Capacity building and black economic empowerment are key objectives of CAHF. In rendering the service, the consultant must endeavour to achieve these goals. South Africa consultants must report on their BBBEE accreditation. Other capacity building efforts can also be proposed, such as the use of students to support the research process, or workshop methods to engage with a wider stakeholder sector in Cameroon. The focus of such capacity building would be on

the use of data to consider and understand the role of housing in national economies. The proposal must comment on the manner in which the consultant intends to give effect to the capacity empowerment objective.

7. Supporting documents for registered firms include tax clearance certificate (for South African applicants), banking details and verification of banking details, company registration and verification documents and equity employment compliance certificates.
8. Familiarity with the Centre for Affordable Housing Finance in Africa's work is important. See www.housingfinanceafrica.org.

7. PROJECT EVALUATION

Proposals will be assessed according to:

1. Relevant, demonstrated competence of firm in undertaking community-based surveys: 20 percent.
2. Demonstrated expertise of key individuals to be involved in this project including ability to access data in relevant languages: 20 percent.
3. Content, quality and originality of proposal, including innovation in and feasibility of approach: 35 percent.
4. Affirmative action OR use of local professional capacity and capacity empowerment: 15 percent.
5. Financial proposal: 10 percent.

The Centre for Affordable Housing Finance in Africa reserves the right to not make an appointment should it not find a suitable service provider.

8. GUIDELINE NOTES TO BIDDERS

The Centre for Affordable Housing Finance in Africa reserves the absolute right to use its discretion in the interpretation of the award criteria. The following notes are intended to provide broad guidance only on how proposals will be evaluated. Bidders may be required to clarify their proposals by way of a telephone call or presentation.

1. "Relevant, demonstrated competence of firm(s) in this area" - you should aim to demonstrate how the firm's collective experience can be applied (or adapted) to address the specific brief set out in the terms of reference. You are welcome to describe the firm's general experience of financial sector development issues (e.g. in other geographies or topical areas) but the evaluation will focus particularly on the application of that experience for the specific task at hand.
2. "Demonstrated expertise of key individuals to be involved in this project" – the evaluation places considerable emphasis on the role and demonstrated expertise (i.e. track record) of the key individuals to be involved on the project rather than on the expertise of the firm itself.

3. “Use of local professional capacity (consulting, analysis, coordination etc.)” – Centre for Affordable Housing Finance in Africa wishes to ensure that local capacity is used and developed. International firms are therefore encouraged to partner with local organisations.
4. “Content, quality and originality of proposal” – proposals should address the brief set out in the terms of reference in a comprehensive manner. Bidders should aim for innovation as well as professional presentation. Whilst similar, relevant experience in other markets will be an advantage for a bidder, each market is different and so proposals need to reflect the particular characteristics of that market, as well as the challenge set by the terms of reference.
5. “Affirmative action scorecard”- This includes ownership, management, and staff development.
6. “Fee basis” – value for money, as well as absolute cost, will be considered.

9. SUBMISSION OF PROPOSALS

Proposals and any queries should be submitted to olivier@housingfinanceafrica.org or jean.philippe@housingfinanceafrica.org