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The discussion summary should be read in conjunction with the discussion papers available on the website at www.emergingmarketsforum.org.

Africa Emerging Markets Forum meeting: 13 – 15 September 2009 (Kleinmond, South Africa) – Summary of discussions.

Session I: Impact of global economic crisis on emerging and frontier markets in Africa

1. Issues of regional integration and coordination on the continent were recognised as important. We have pronounced on regional integration in the past but have not followed through with implementation. Institutions tasked with regional integration on the continent have thus not made much progress.
2. There are frontier markets on the continent which could attract foreign direct investment.
3. The paper on the global economic crisis raised pertinent questions relating to the continent. One such was that the IMFC and G20 meetings could assume a life of their own. Moreover, the G20 meetings were scheduled for mid-September, yet the African Development Bank (AfDB) did not have a sense of the amount of capitilisation required. Concern was expressed that low income countries do not have access to the resource window of the AfDB.

4. The meeting reconfirmed the transmission through which the crisis had impacted the African economies, and acknowledged that even though we were affected by the crisis, Africa was better prepared this time. African countries have stable macro conditions hence we were able to weather the storm better.
5. The crisis will last for some time, and there is a need to continue to monitor conditions and look for scope. There is a threat that policy reforms will be reversed.
6. African leaders need to determine how countries could better counter the effects of the storm. This requires an understanding of the social consequences of this crisis in Africa. Calls to cushion the poor against the impact of the crisis might necessitate government intervention.

Session II: South Africa and growth spillovers

7. The discussions focused not only on positive spillover effects but, also highlighted negative spillovers e.g. power and water shortages and the impact of climate change.
8. It was agreed that as Africans we know little about each other and this knowledge is constraining our approach.
9. A summary of recommendations was provided giving advice to policy makers and the private sector on how to unlock growth on the continent.
10. Regional integration is usually led by private sector initiatives and the private sector is generally dynamic in other markets. This focus should be taken up in a subsequent meeting and include an examination of the difficulties faced by the private sector, including barriers to growth. This will ensure that politicians are able to respond to the needs of private business.

Session III: Looking East: Africa's newest investment partners

11. Most commentators pointed to the negative effects of Chinese participation on the continent, yet the paper provided more positive thoughts.
12. African leaders need to have a plan for engaging with China. During the Beijing summit, only individual countries were invited; however the invitation was not extended to the African continent. Africa should have a global agenda, presented by the African Union.
13. The relationship with the East is characterised as being only with China and does not mention other players like India and others.
14. Major weaknesses in Africa were identified; hence capacity building efforts must be considered.

Session IV: Africa's infrastructure: A time for transformation

15. The World Bank study on infrastructure was due to be released in November, but a summary was provided to inform the discussion.
16. The gap analysis has shown that the size of infrastructure backlogs has increased from \$60 billion to \$93 billion.
17. There was general agreement that if African countries are to trade with each other, they need to invest in infrastructure. The operation of infrastructure needs to be reviewed e.g. safety on roads, crime etc. The biggest gains are in improving operational efficiencies and economies of scale.
18. Different infrastructure funding models were discussed including user charges, private sector involvement, government funding and Private–Public Partnerships (PPP's).
19. It is not only government's responsibility to provide infrastructure, but harnessing PPP's is important. It was noted that institutionally, the public sector is not well capacitated to negotiate with the private sector.

20. Africans need to develop a belief in the continent and its returns.

21. Social investment requires economic growth.

Session V: Structural transformation and African agriculture

22. The role of International Financial Institutions (IFIs) in poverty reduction and the lack of timeliness in the roll out of aid.

23. The adequacy of the IFIs involvement (contribution) and the impact thereof on the sector.

24. Guarding against the threat of policy reversal.

Session VI: Conclusion and moving forward

25. Some observations and recommendations from this workshop should find themselves on the policy agenda of participants.

26. The forum needs to determine how these discussions help with engaging with policy makers and getting the attention of decision-makers.

27. The recommendations need to contribute to the environment of doing business in Africa.

28. Members of the private sector who participated found the discussions very useful; hence the private sector should be invited to future initiatives.

29. The EMF publishes a journal three times a year and commits to devoting one of the next issues to one of the topics discussed during the Africa EMF meeting. The EMF secretariat could provide a private networking area on the website to allow members to debate and share ideas.

30. Future forum discussions should be more action-oriented instead of providing platforms for discussion only.

31. Presidents Mkapa and Chissano could lead a small team of experts to different important institutions. The historical background of this forum should be brought to the attention of the continental and sub-continental forums (ECOWAS, SADC, COMESA, East Africa and West Africa forums). The EMF should follow the decisions taken in African organisations, as many organisations put forward recommendations and it is hard to determine which to follow.
32. Africa is not one country; there is a lot of divergence. We need to look at sub-regions of Africa, particularly when discussing regional integration. Four to five interventions should be identified to be prioritised within a region to facilitate regional integration. Various countries have different competitive advantages. Cross country projects should be considered.
33. The forum requires more participation from other African countries as we need consistency within and across regions.
34. Some delegates prefer a stronger formalised voice of the Emerging Markets Forum, in addition to the summary of discussions. In Latin America, the summary was reduced to a two-page note to all heads of states sent by the chair and co-chair.
35. It is recommended that in future one session should focus on the private sector e.g China study and agriculture study could have portfolio financing implications. We should encourage the issues of regional managers.
36. Three members of another Africa forum i.e. Presidents Chissano and Mkapa as well as the ex-president of the AfDB Babakar Mjiari will take these papers to the Africa Forum to disseminate information to countries. Mr Babakar Mjiari will also raise discussions at the African Union. Volunteers are required to assist in engaging with the participants of other forums.
37. The EMF needs to guard against duplication of efforts and also against creating too many structures which are doing the same things. Instead we should identify the other structures currently in existence and ensure we do not speak from different perspectives.