

FOREWORD

The theme of the *African Development Report 2007 — Natural Resources for Sustainable Development in Africa* — is motivated by the need to deepen current understanding of natural resource management practices in Africa. The rekindled interest in Africa's resources is largely driven by global economic growth, especially in Asia, and the related demand for fossil fuels and minerals. This situation raises questions; how the continent can best leverage its resources for its own development given the complexities and trade-offs. Indeed, the market demand for Africa's natural resources is strong and growing; but Africa needs these resources too for its own development.

It is within this spirit that the African Development Bank and the United Nations Economic Commission for Africa (ECA) jointly organized the Big Table 2007 Forum to deliberate on the challenges and strategies for managing Africa's natural resources for growth and poverty reduction. The *African Development Report 2007* leverages and complements the knowledge generated by the Big Table 2007. The Report clearly sets the stage for a more proactive stakeholder engagement in the effective management of Africa's natural resource wealth. Indeed, collaborative efforts between key stakeholders — governments, companies, civil society organizations and local communities — is needed to ensure that

Africa's natural resource wealth translates into broad-based socio-economic development, taking into account the lessons and impact of past experience of commodity booms and busts. This is important, given the paradox of the so-called natural resource curse. It underscores the crucial need for synergies to be created and strengthened between the public, the private sector, civil society, and external development partners. Initiatives such as the Extractive Industries Transparency Initiative, the Kimberly Process, and the African Peer Review Mechanism, among others, need to be strengthened and vigorously supported.

The African Development Bank, in cooperation with other stakeholders and development partners, is scaling up financial assistance for governance and institutional reforms in the natural resources sector. It is providing technical assistance, capacity building, knowledge and advisory services for appropriate fiscal systems and regulatory institutions, among others. It is prepared to do more.

The *African Development Report 2007* sets the stage for a re-thinking of the role of natural resources in economic development and poverty reduction in Africa. It articulates the crucial issues behind this relatively untapped potential and offers a rich discussion on ways to reverse the current trends. We hope that the Report will serve as an important catalyst for change, and the