



## Foreword

*by*

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The storyline behind Africa's natural resources no longer needs to be told. The continent is heavily endowed with a wide range of natural resources, both renewable and non-renewable. It is generally believed that large quantities of non-renewable resources, such as oil and minerals, have yet to be discovered.

Although Africa is currently the world's second fastest-growing continent, tremendous challenges facing its development remain. Poverty, high unemployment (especially among youth), rising inequalities, and environmental degradation, among others, are key challenges that need to be immediately and effectively addressed. There is no doubt that revenues generated from the extraction of African natural resources can play a central role in responding to them. Recent evidence from countries such as Liberia, Sierra Leone, Mozambique, Ethiopia, and Botswana, to name a few, strongly suggests that natural resource sectors can be an engine for economic growth and development. But harnessing revenues generated by these sectors has also been a challenge.

Unfortunately, political and social struggles that too frequently lead to violent conflict have hindered both effective use of the windfalls from natural resource extraction in most resource-rich African countries and development. An emerging consensus is that poor governance and inadequate management of natural resource sectors are major obstacles to harnessing natural resource revenues for development. For natural resources to make a significant contribution to Africa's development, there is an urgent need to overhaul their governance and management. This would constitute a crucial step toward addressing the "paradox of plenty" that the continent faces.

The elements necessary to improve the governance of natural resource sectors and ensure that they contribute to Africa's development are numerous. They include, but are not limited to, the establishment of policy frameworks for better management of natural resources, building of capacities to improve technical skills at different levels (legislatures, civil society organizations, non-governmental organizations, and the research community), development of strong, transparent governance structures in both host and home countries to dissuade corruption, and forging of strong public-private sector partnerships.

This edition of the *Canadian International Development Report* comes at a pertinent time for the issue of African development. There is a renewed "scramble" for Africa's natural resources. China and other emerging economies are making huge investments in mining sectors and securing lucrative deals. African governments must be ready to respond through appropriate policy frameworks. They should be able to negotiate contracts that ensure transparency and value for money.

The chapters of this publication provide valuable insights into key issues associated with the governance and management of Africa's natural resource sectors. The overview of significant and emerging issues within the context of natural resource governance, the examination of extractive sector regulations that takes a critical look at old practices and explores new models for change, the examination of BRICS countries' short- and long-term impacts on Africa's natural resource sectors, and the review of transnational initiatives all set the stage for much-needed discussions moving forward. In this publication, the in-depth analyses of many related themes reflecting local, national, regional, and global policy priorities are without doubt meaningful contributions to better governance and management of the continent's natural resources. It is hoped that the improved governance and management of natural resource sectors will help generate and harness revenues to tackle Africa's development challenges.

## About the Author

Elias Takor Ayuk is Director of the United Nations University Institute for Natural Resources in Africa in Accra, Ghana. From 2004 to 2010, he was Senior Program Specialist with the Globalization, Growth and Poverty program at the International Development Research Centre's (IDRC) Regional Office for West and Central Africa in Dakar, Senegal. He joined IDRC in 2002 as Senior Program Specialist with the Secretariat for Institutional Support for Economic Research in Africa, where he also served as Acting Executive Director from 2002 to 2006.

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