

UNESCO study warns of extreme financial crisis impact on Africa

By [Global Research](#)

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A new United Nations study has called for increased development aid to poor sub-Saharan Africa to avert extreme impact of the financial crisis.

The global financial crisis sweeping through Wall Street and the European banking sector will touch the lives of the world's most vulnerable, pushing millions into deeper poverty and leading to the deaths of thousands of children, the study presented yesterday at the first session of the UNESCO Future Forum.

It warned that reduced growth in 2009 will cost the 390 million people in sub-Saharan Africa living in extreme poverty around \$18 billion, or \$46 per person.

"This projected loss represents 20 per cent of the per capita income of Africa's poor - a figure that dwarfs the losses sustained in the developed world," UNESCO stressed in a press release.

The study, prepared by the Education for All Global Monitoring Report (GMR) team, was presented at the UNESCO Future Forum, aimed at analysing the consequences of the present financial and economic crises for international cooperation in general and on education, the sciences, culture, communication and information.

It documents the potential impact of the current worldwide economic meltdown on the internationally agreed targets to eradicate poverty and reduce child mortality among other human development objectives.

The report also highlights the prospect of an increase of between 200,000 and 400,000 in infant mortality and that child malnutrition, already rising, will be one of the main drivers of higher child death rates.

"Millions of children face the prospect of long-term irreversible cognitive damage as a result of the financial crisis," a UN report quoted Patrick Montjourides, one of the authors.

According to the report, the world's poorest countries are unable to insulate their citizens from the crisis, with an estimated 43 out of 48 low-income countries incapable of providing a pro-poor government stimulus.

There is also a real danger that some low-income countries which have made progress towards the MDG of universal primary education will suffer setbacks. The at-risk group includes Mozambique, Ethiopia, Mali, Senegal, Rwanda and Bangladesh, the reported stated.

The report pointed out that increased international aid could help reduce fiscal pressure, but also noted that aid development assistance budgets are coming under increased pressure. The European Union's aid commitment to provide 0.56 per cent of GDP in aid by 2010 is rapidly losing value with lower growth projections. The real financial value of the commitment in 2010 will be \$4.6 billion lower, according to the report.

"We cannot allow rich countries to use this crisis as an excuse to turn their back on the world's poor," said UNESCO Director-General Koïchiro Matsuura. "Measures to revive growth and fix the financial system must be coupled with greater efforts to tackle the structural problems of extreme poverty and inequality."

One of the report's authors, Kevin Watkins, stressed that "Aid donors could clearly do far more to protect the world's poorest people from a crisis manufactured by the world's richest financiers and regulatory failure in rich countries."

He compared the estimated \$7 billion needed in increased aid for low income countries to meet key education goals with the \$380 billion in public money injected into banking systems in last quarter of 2009.

The authors of the report called for a concerted international effort to limit the impact of the financial crisis on the poor, including an increase of over \$500 billion in International Monetary Fund (IMF) special drawing rights, along with governance reforms to give developing countries an increased voice, as well as the EU to provide a \$4.6 billion aid adjustment.

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