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June 9, 2020

**Statement by Mr. Sun and Ms. Cai on United Republic of Tanzania  
(Preliminary)  
Executive Board Meeting 20/69  
June 10, 2020**

We thank staff for the concise report and Messrs. Mahlinza, Odonye, and Jappah for the helpful Buff statement. We are in broad agreement with staff's appraisal and support the authorities' request for debt relief under the Catastrophe Containment window of the CCRT.

We welcome the Tanzanian authorities' agility in responding to COVID-19 by increasing health and social protection spending. Given that tourism accounts for 15 percent of GDP and 35 percent of export receipts, the pandemic's adverse economic impact on Tanzania could be more severe than envisaged if international travel remains collapsed for an extended period of time. *In light of limited fiscal space for increased COVID-related spending and in case the needed donor support does not materialize, what other measures could the authorities take to meet their increasing budget needs? Staff comments are welcome.* Considering the significant uncertainties and downside risks, we encourage the authorities to prepare contingency plans well in advance. In addition, we welcome the authorities' commitment to audits of external support for COVID-19 related spending and encourage them to further enhance governance.

The authorities have submitted a request for emergency financial support under the RCF/RFI. We believe that the proposed emergency financing could have a catalytic effect on other multilateral support and grants from donors. According to staff estimates, the fiscal and balance of payments financing gaps would be around 1 percent of GDP. A debt relief of the debt service falling due in the 24 months would be helpful to address the financing gap. *Could staff elaborate a bit more on the fund-raising developments of the CCRT and the possibility to have a 24-month debt service relief for CCRT countries?*

With these remarks, we wish the authorities every success in their policy endeavors.