

**EXECUTIVE  
BOARD  
MEETING**

EBS/21/78  
Correction 2

September 8, 2021

To: Members of the Executive Board

From: The Secretary

Subject: **United Republic of Tanzania—Requests for Disbursement Under the Rapid Credit Facility and Purchase Under the Rapid Financing Instrument**

Board Action: The attached corrections to EBS/21/78 (8/23/21) have been provided by the staff:

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Questions: Mr. Tsangarides, AFR (ext. 35833)  
Ms. Fang, AFR (ext. 35377)





# UNITED REPUBLIC OF TANZANIA

August 20, 2021

## REQUESTS FOR DISBURSEMENT UNDER THE RAPID CREDIT FACILITY AND PURCHASE UNDER THE RAPID FINANCING INSTRUMENT

### EXECUTIVE SUMMARY

**Context.** The COVID-19 pandemic has negatively impacted Tanzania's macroeconomic outlook, and negatively impacted its population's health and well-being. Tourism collapsed in the wake of travel restrictions, the economy reportedly decelerated to 4.8 percent growth in 2020, and growth is expected to remain subdued in 2021. The previous government ~~downplayed~~ ~~denied~~ the presence of the COVID-19 virus in Tanzania, ~~downplayed and~~ the impact of the pandemic in the country, and ~~provided~~ ~~budgeted~~ insufficient resources to address the health and economic crisis. This has left the new administration of President Hassan with an enormous and urgent challenge to tackle the COVID-19 pandemic. The new administration is implementing comprehensive plans to immediately address the pandemic, resulting in an urgent balance of payments need.

**Request for Fund support.** The authorities are seeking financial assistance under the Rapid Credit Facility (RCF) and the Rapid Financing Instrument (RFI) to address the urgent balance of payments needs to tackle the health and economic effects of the pandemic. Given the infeasibility of quickly putting a UCT-quality program in place in the short-term, the authorities are seeking financial assistance under the exogenous shocks window of the RCF and under the RFI. The authorities' plans will mitigate risks to fiscal and debt sustainability and are supported by the authorities' prudent fiscal track record. The authorities are requesting a disbursement of SDR132.6 million under the RCF (33.33 percent of quota) and a purchase under the RFI of SDR265.2 million (66.67 percent of quota), totaling SDR 397.8 million (US\$566 million), equivalent to 100 percent of quota. Fund support is expected to catalyze additional financing from development partners, which the authorities are actively seeking.