

SU/20/120

June 10, 2020

**The Acting Chair's Summing Up
United Republic of Tanzania—Request for Debt Relief Under the
Catastrophe Containment and Relief Trust
Executive Board Meeting 20/69
June 10, 2020**

Executive Directors noted that Tanzania is experiencing exceptional fiscal and balance of payments needs arising from the COVID-19 pandemic. They acknowledged the authorities' efforts so far to contain the pandemic and mitigate its economic impact. Noting risks that the pandemic could spread and lead to more serious health repercussions and a more pronounced reduction in economic activity, Directors urged the authorities to allocate sufficient budgetary funds for health spending and support for vulnerable households and businesses.

Directors noted that the debt service relief under the Catastrophe Containment and Relief Trust will provide some liquidity needed to address the consequences of the pandemic. They highlighted the importance of using the additional resources in a well-targeted and transparent manner, and in this regard welcomed the authorities' commitment to conduct ex-post audits of COVID-related expenditures. Directors also encouraged the authorities to continue constructive engagement with the Fund and other development partners to secure additional financing to cover the emerging fiscal and balance of payments gaps.

Directors stressed the importance of following up on key reforms that could set the basis for an economic recovery over the medium term. These include plans to clear domestic arrears; unlock credit to the private sector; and improve human capital, governance, and the business environment.