

**Statement by
H.E. Mr. Qohir Rasulzoda,
Prime Minister of the Republic of Tajikistan
at the High-level event on Financing for Development in the Era of COVID-19
and Beyond
(May 28, 2020)**

**Distinguished colleagues,
Distinguished Secretary General,
Ladies and Gentlemen,**

Today, the coronavirus pandemic poses serious and complex challenges to the entire world community, which require coordinated efforts and mobilization of the available resources and capabilities of the entire world community.

In this regard, the Government of the Republic of Tajikistan has established permanent State headquarters and Interagency working group to contain and mitigate the impact of the spread of coronavirus in the country.

Under the current difficult circumstances, in addition to the measures of preventing the spread of coronavirus, the Government is taking steps to ensure the stable functioning of the national economy.

The ongoing global economic downturn is adversely affecting the country's macroeconomic stability, seriously reducing budget revenues and undermining efforts to achieve sustainable development and reduce poverty in the country.

Unfortunately, the outbreak of COVID-19 in the region led to a temporary closure of the border with the trade and economic partners, disruption of trade chains and transport links, and a slowdown in the implementation of major investment projects in the country.

The international experts expect that this year the economic growth rate of the Republic will decrease to 2.5%, and state budget revenues may decrease by more than 400 million US dollars.

The state budget deficit this year may increase from the predicted 2.1% to 6.0% of GDP.

The situation may worsen amid the decline of foreign trade, decrease in investment inflows into the country, fall in world prices for Tajikistan's main export products, such as aluminum, cotton and food concentrates, decrease in remittances from labor

migrants, increased pressure on the national currency and decrease in currency reserves.

According to the preliminary estimates, due to the negative impact of foreign economic factors, the total damage to the Tajik economy may exceed \$ 1.6 billion.

The government has approved an Action plan to prevent the impact of possible risks on the national economy. This Anti-Crisis Plan provides for measures in the field of ensuring macroeconomic stability, improving the banking system, efficient use of state budget funds, full and timely fulfillment of state social obligations, including targeted assistance to socially vulnerable segments of the population, increasing production and stocks of basic foods and essentials.

These measures, along with the need to strengthen the system of social protection of the population, particularly the vulnerable groups, require the allocation of additional funds from the state budget.

According to our estimates, in order to maintain macroeconomic and social stability and support the country's economic sectors, assistance in the form of additional financial resources is required in the amount of approximately 650 million US dollars.

In this situation, the fulfillment of the obligations to serve the external debt is an additional burden on the state budget.

In 2020 alone, more than 200 million US dollars are needed for servicing the country's external debt.

In this regard, at the moment restructuring the external debt of the developing countries is considered highly relevant.

Moreover, the measures taken should not lead to an increase in the debt burden of the countries, which remains one of the serious obstacles to financing development.

Still, building up official development assistance remains relevant.

In conclusion, I would like to emphasize that the achievement of sustainable development during the period of COVID-19 poses very extraordinary and complex tasks, the implementation of which requires consolidation of all efforts and renewal of international partnership for development.

The Government of Tajikistan expresses its appreciation to the Member-states, UN agencies, international financial institutions and development partners who provided financial, logistical and technical support and express their willingness to provide assistance to low and middle income countries, including Tajikistan.

Thank you for attention.