

Statement of Jennifer D. Nordquist
Nominee to Serve as US Executive Director of the IBRD
Senate Foreign Relations Committee
May 21, 2019

Chairman Rubio, Ranking Member Cardin—as well as full committee Chairman Risch and Ranking Member Menendez—and all distinguished Members of the Committee, thank you for the opportunity to testify before you today. I'd also like to thank President Trump for nominating me to serve as Executive Director of the International Bank for Reconstruction and Development—which forms a major component of the World Bank.

I would not be sitting here today were it not for the love and support of my family, who are literally and figuratively behind me: my husband and my rock, Nels; our three children -- Annika (who flew in from Stanford to be here), Lars and Britt (who are happily missing school today); my parents (my dad is here visiting from New York); and my in-laws.

As this Committee sees every day, the world faces many difficult and complex issues. These challenge the World Bank Group as never before. The United States has played a leading role in the Bank since its founding at Bretton Woods, New Hampshire 75 years ago, and I look forward to keeping the US actively engaged, using our voice and vote to advance the Bank's mission to ameliorate poverty around the globe, while also ensuring that the Bank works in the best interests of US taxpayers.

I have had a deep interest in responding to poverty ever since I was a graduate student in Chicago, volunteering at Cabrini Green, then one of the nation's most dangerous housing developments. Later, while living and working in Thailand, I helped lead a large health education campaign to stem the AIDS epidemic that was ravaging the country at all socio-economic levels. In subsequent government service, I helped work to rebuild the Gulf Coast after Hurricane Katrina, which hit the lowest income residents particularly hard. I continued to work on related issues at HUD.

Research into the causes and impact of poverty was a large part of my portfolio at Brookings, where I spent almost nine years. In my current role at the Council of Economic Advisers, I advise on the development of policies that promote opportunity and economic growth, based on the latest economic research and analysis. I also have a background in macroeconomics, evidence-based policy, and banking finance and regulation, and plan to bring these valuable perspectives to my work, should you confirm me.

Poverty remains an intractable problem. If there were easy policy solutions, they would have been implemented long ago. In the US, we have made a lot of progress since the War on Poverty was launched over half a century ago. Both bilaterally and through multilateral institutions such as the World Bank, the US has played a leading role in supporting the progress that the rest of the world has made in lifting people out of poverty and generating economic growth.

The World Bank Group's loans and grants have helped diminish extreme poverty and improved human capital and health outcomes in countless countries, helping establish the necessary ingredients for prosperity. These efforts not only allow people to lead better, more productive, fulfilled lives, but they also open up markets to American firms—40 percent of our exports go to the developing world—not only supporting American jobs, but also promoting stability and, of course, peace.

The World Bank now faces the challenge of promoting development and stability in an environment where other lenders, both bilateral and multilateral, push developing countries into unsustainable debt and dependence, forcing these sovereign borrowers to accept poor quality projects that do not meet high quality environmental and social standards. In that regard, it is difficult to understand how any nation can be both a lender to the developing world while also taking advantage of the taxpayer-supported loans that the Bank provides at the same time.

If you allow me the privilege to serve as the US Executive Director, my goal would be to ensure the Bank rises to these challenges. If Congress approves the capital increase requested in the President's Budget, this means implementing the reforms that the US negotiated as part of that package. These include stronger financial discipline, constraints on overhead costs at the Bank itself, and focusing resources away from more developed countries and towards the less developed, more vulnerable ones -- which is indeed the Bank's core mission.

It would be an honor and a privilege to put my background in economic policy and government to work ensuring that the World Bank implements these reforms and develops a laser-like focus on sound, sustainable projects that eliminate extreme poverty, empower women, and help prevent violence and conflict.

Thank you for this opportunity to testify before you today, and I look forward to your questions.