

Statement of Jason Myung Ik Chung
Nominee to be the U.S. Director to the Asian Development Bank
with the Rank of Ambassador
Before the Senate Foreign Relations Committee

Chairman Young, Senator Merkley and Members of the Committee:

Thank you for the opportunity to appear before you today.

I am honored and privileged to be President Trump's nominee to be U.S. Director to the Asian Development Bank with the Rank of Ambassador. I am grateful to Secretary Mnuchin for his confidence in recommending me for this position. I also appreciate the encouragement and support from Under Secretary McIntosh and my colleagues at the U.S. Treasury Department.

Before proceeding, I would like to take a moment to acknowledge my family. I want to thank my wife, Susannah, and two children, Davis and Alexander, for their love and support throughout this process. I am lucky and humbled to have the three of them in my life; they are my compass and they are truly the light of my life.

Likewise, I am grateful to my parents for their love and guidance throughout my life. They came to this country as immigrants, seeking a better life for themselves and their eventual family. Because of their hard work, perseverance, and many sacrifices, their son is now appearing before the U.S. Senate Foreign Relations Committee. I am grateful for the life they provided me.

As the son of immigrants, it has been an incredible honor to serve my nation in various roles in government at different points in my life. Over my career, I served as a deputy assistant secretary at the U.S. Treasury Department, working on international affairs and development issues under the leadership of then-Under Secretary David Malpass. I also gained a first-hand appreciation for the legislative process during my 5 years working in the U.S. House of Representatives.

Now, in my current role as United States Alternate Director to the Asian Development Bank, I serve on the ADB's Board of Directors, representing the views of the United States at the institution. I help to advance the ADB's core mission of achieving "a prosperous, inclusive, resilient and sustainable Asia and the Pacific" all while making sure ADB's programs are in line with American goals, values, and the Administration's larger Indo-Pacific Strategy.

Today, the world is facing a profound public health and economic challenge as it looks to respond to and recover from the COVID-19 pandemic. The United States and the G20 have called on the international financial institutions and multilateral development banks to provide urgently needed financial and technical support to many in the developing world. This support comes at a crucial time where resources are scarce, and needs are many.

The ADB is in a unique position to help bridge those gaps in an appropriate and thoughtful way. The ADB currently has different modalities and initiatives to assist in the health response, social protection, and economic recovery efforts. It is imperative that the United States promotes

transparency and exercises its oversight authority at the ADB during this time to maximize the benefits of these initiatives and to mitigate any risks associated with expanded technical assistance, budget support, and project based loans to developing member countries.

While responding to the COVID-19 pandemic has taken center stage at international institutions across the globe, it is worth mentioning how the ADB and its programs fit into overall U.S. strategic interests. During the past year and a half, the U.S. staff and I have set out goals to achieve, and we have begun to accomplish these goals. One accomplishment included the approval of a “differentiated pricing” scheme for sovereign loans. Known as the “Diversification of Financing Terms”, this initiative strengthens ADB’s financial sustainability by requiring upper-middle income nations like China and Kazakhstan, among others, to pay increased premiums for borrowing from the ADB. This initiative will help alleviate the need for a U.S. taxpayer-funded capital increase and mirrors the reforms that the World Bank Group enacted a couple of years ago.

The “Diversification of Financing Terms” initiative is illustrative of our overarching desire to heighten financial sustainability at the ADB. Each day, we look for ways to enhance the sustainability of the institution. A more sustainable ADB will rely less on U.S. taxpayer-funded interventions now and in the future. Moreover, the additional income will bolster ADB’s ability to support the poorest and most vulnerable countries in Asia and the Pacific, primarily through grants and concessional loans.

Additionally, we are using our perch at the ADB to advance debt transparency and sustainability. As the premier development institution in the region and the leading partner for many countries, including in the Pacific, ADB has a key role to play in supporting the IMF and World Bank’s Multi-Pronged Approach for Addressing Emerging Debt Vulnerabilities. We are advancing this agenda through other avenues as well, such as the ongoing negotiations for the next replenishment of the Asian Development Fund.

Given the vast development needs and financing gaps in the region, we are also closely monitoring the activities of other financiers. We strongly advocate for other institutions to follow sound development practices on debt sustainability, rigorous environmental and social safeguards, accountability, and anti-corruption.

We are keenly aware of China’s regional goals and ambitions, whether it is through Belt and Road Initiative (BRI) or other instruments. We highlight the failure of BRI to provide necessary lending safeguards, governance, and debt transparency as well. I believe the ADB is a better partner for countries to help them achieve sustainable economic growth. We work to prevent heavy-handed Chinese interventions in Asian and Pacific nations, and we consult with our U.S. and international development partners to provide better alternatives for borrower nations in the region.

Within this vein, we have arranged frameworks and memoranda of understanding with the U.S. Agency for International Development and the Overseas Private Investment Corporation, now the Development Finance Corporation, to serve as high-quality, transparent alternatives to the

debt-trap programs fueled by China. These efforts focus on helping the neediest countries, all while ensuring that these countries have a path toward sustainable economic growth.

We also have worked with our partners on the Board of Directors to prevent ADB projects from being introduced in nations and regions where state actions run contrary to American values. For instance, the United States and our European partners prevented Board approval of two ADB projects planned for Xinjiang, China. Legislative mandates, such as the trafficking in persons and human rights mandates have provided us with strong tools to discourage institutions like the ADB from supporting programs in nations whose governments are not complying with the minimum standards for trafficking in persons and are engaging in a pattern of gross violations of internationally recognized human rights.

If I am fortunate enough to be confirmed, I look forward to continuing the efforts and progress the Office of the U.S. Executive Director has made in advancing the ADB's core mission and American values abroad. I will remain steadfast in my efforts to alleviate corruption, enhance transparency, and strengthen institutions in Asia and the Pacific. I also will focus on creating sustainable economic growth in the region and raising median incomes. Finally, I will work to curtail China's opaque and non-market lending practices in Asia and the Pacific and I will continue to work with our U.S. and international partners to provide developing nations with better alternatives to Chinese lending.

Mr. Chairman and Members of the Committee, thank you for allowing me to appear before you today. I look forward to working with Members of this Committee and the interested members of both the Senate and the House in addressing all of our goals in Asia and the Pacific. I look forward to answering any questions you may have and, if confirmed, I hope to foster a close working relationship with you and your staffs as it relates to ADB's COVID-19 response initiatives and the ADB's role in Asia and the Pacific more broadly.