

Elizabeth Shortino
Nominee to be the U.S. Executive Director, International Monetary Fund
Nominations Hearing before the Senate Foreign Relations Committee
June 7, 2022

Thank you, Chairman Menendez, Ranking Member Risch, and members of the Committee. I am honored that President Biden nominated me to serve as Executive Director of the United States to the International Monetary Fund (IMF), and I am thankful for the support of Vice President Harris, Secretary Yellen, and Deputy Secretary Adeyemo. I am pleased to be joined today by my husband, Michael Shortino and my three children: Jack, Alex, and Julia.

I have spent the last 17 years of my career working in international affairs for the U.S. Government, serving Administrations from both parties to advance U.S. economic interests. My interest in public service took hold during my undergraduate years at the University of North Carolina, where I majored in political science and interned at the Center for Strategic and Budgetary Assessments. Following graduation, I took a position in management consulting; but after four years working on business strategy, I was drawn to public service. As a graduate student at the Johns Hopkins School of Advanced International Studies, I developed a passion for international economics and diplomacy, and specifically the role of the Bretton-Woods institutions in the global economic order.

I formally began my career in federal service at the Office of Management and Budget overseeing State Department and USAID economic and development assistance programs to advance economic diplomacy and support U.S. national security interests. Four years later, I made the transition to the Treasury Department in the midst of the global financial crisis.

My career at Treasury has spanned a wide range of international topics that have all, on some level, involved the use of IMF engagement to advance U.S. interests. As a desk economist for Pakistan, I worked closely with the State Department, Defense Department, and USAID to leverage the IMF in enhancing U.S. national security interests in the region. As Director of the Office of Middle East and North Africa, I developed strong relationships with IMF staff and partnered with the IMF to design lending programs that would support Arab Spring countries in their economic transitions. Later, as Director of the International Monetary Policy office, I led Treasury's engagement on IMF policies, IMF lending, and G7 and G20 engagement, including spearheading the U.S. agenda for the G7 during its presidency in 2020 and overseeing the IMF response to the COVID-19 pandemic.

The IMF has a pivotal role to play in supporting the global economy. It is truly a unique organization in its ability to rapidly mobilize funding to support countries in a crisis. In the response to the COVID-19 crisis, it mobilized more than \$33 billion in emergency financing, and more recently it approved \$1.4 billion in rapid financing to support Ukraine. Its engagement often provides a catalytic effect; its sound policy advice and robust economic lending conditions can unlock other international support and market financing and facilitate critical transitions towards a stable and growing economic outlook. It is also the only international institution charged with assessing exchange rate stability and global economic balances. And its capacity

development programs are of the highest caliber and provide much needed support for low-income countries and fragile states.

While the IMF has many strengths, it also faces challenges. It is an organization that boasts a broad and diverse membership and leveraging the IMF's toolkit to advance U.S. interests requires active engagement with IMF management and other Board members. Its lending programs need to incorporate measures to strengthen governance, fight corruption, and strengthen anti-money laundering frameworks to help ensure IMF funds are used appropriately. With low-income countries facing rising debt challenges, compounded by increasing energy and food prices, the IMF will have a significant role to play to support its poorest members.

If confirmed as U.S. Executive Director, I will work tirelessly to help ensure the IMF delivers on these future challenges while still executing its core mission. Building upon my experience, I will press for the IMF to call out unfair and opaque Chinese lending as part of its broader efforts to promote debt sustainability. I will ensure that U.S. interests are protected in the next review of IMF quota and governance reform, scheduled to conclude in 2023. I will take steps to make sure IMF engagement are in line with and support U.S. national and economic goals, including fighting corruption and money laundering. Finally, I will work to improve the operational effectiveness of the IMF as an institution.

I look forward to regularly engaging with the U.S. Congress and this committee on all of these issues. I would be honored to have the opportunity to serve in this role. I look forward to answering your questions.