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Good morning.

Thank you Dan, for your introduction and your leadership—both in public service and as a private citizen. I want to thank everyone at the U.S. Global Leadership Coalition and the National Democratic Institute for bringing us together today and for the work you do every day. And to all our friends and partners who are joining us from around the world, on behalf of President Obama and the American people, welcome to the United States.

It's often said that one of the challenges in sustaining American global leadership is that there is no constituency for robust American engagement. Well, ten years ago, that might have been true. Back then, critics of foreign assistance often had the run of the field—with little competition; little pushback. Today, of course, the Global Leadership Coalition is a strong and vibrant voice for the engagement and funding that is essential in a dangerous world. If, as President Obama has said, the United States remains the indispensable nation in global affairs, then all of you are our indispensable partners. And it is an honor to be with you today.

What I'd like to do today is offer a bit of a scene-setter for the speakers and discussion that will follow. I do so as one who has been privileged to have a front-row seat as President Obama and Secretary Clinton have dramatically reoriented U.S. foreign policy and restored our standing in the world. I was honored to serve as Deputy Secretary of State for Resources and Management, where I co-chaired the first-ever Quadrennial Diplomacy and Development Review, which sought to strengthen our "civilian power." As Director of the Office of Management and Budget and, now, Chief of Staff, I've served President Obama as he has worked to address the "legacy" issues he inherited from his predecessor even as he pursues his own initiatives, including a positive, forward-looking agenda for American engagement in the world.

Specifically, I want to discuss how President Obama has succeeded in refocusing American foreign policy, to include a greater emphasis on "smart power," and how this enhances the security and prosperity of not only the United States, but people around the world. And I think it's worth beginning by remembering the challenge he faced when he came into office.

Four years ago, the United States was engaged in two wars. Al Qaeda was dug in deep in their safe havens. Many of our alliances were deeply strained. America's standing in the world was diminished. We were reeling from a financial crisis and the worst recession since the Great Depression. Around the world, and here at home, many were questioning whether the United States would continue to play a leadership role.

Today, we see a different reality. President Obama kept his promise to end the war in Iraq, the last American troops left in December, and today there are no U.S. troops fighting and dying in Iraq. Al Qaeda's leadership has been decimated, Osama bin Laden is no longer a threat to the

world, and al Qaeda is on the path to defeat. In Afghanistan, thanks to the courageous service of U.S. and coalition forces, the Taliban has been pushed back; next year, Afghans will take the lead for security across the country; and in 2014 the transition will be complete.

Perhaps nothing illustrates this dramatic shift in our foreign policy than the number of American serving in harm's way. When President Obama took office, there were some 180,000 U.S. troops in Iraq and Afghanistan—180,000. With the removal of all our troops from Iraq, and the return this month of the surge troops that the President ordered to Afghanistan, we'll have reduced that number by two-thirds. In other words, most of our troops have come home. And as more Afghans take the lead, more of our troops will continue to come home.

I mention all of this because ending these wars is the prerequisite for the new era of engagement that President Obama promised when he came into office. For a decade, so much of our foreign policy—and our resources—was consumed by the wars in Iraq and Afghanistan. As a result, we were not able to fully seize other opportunities or meet other pressing challenges.

Now, as the President has said, we are "turning the page" on a decade of war. This has allowed us to expand our vision and pursue a smarter and more comprehensive engagement with the world. After all, in a changing and challenging international environment, we have to harness the full range of American power, not just our military—but our diplomatic, economic, development power, and the power of our values. As the President states in his National Security Strategy, "we must balance and integrate all elements of American power," to include modernizing our diplomatic and development capabilities.

You see this, of course, in the President's commitment to diplomacy generally and to the international affairs budget specifically. Even in these difficult fiscal times, the Obama Administration has found the resources to address our international interests with significant increases in the midst of difficult fiscal tradeoffs—and I want to thank the coalition and so many of you for standing up and being as a forceful advocate for these investments.

The international affairs account may be only one percent of the budget. But President Obama believes that it's one of the smartest investments we can make. Investments in the dignity, security and prosperity of our fellow human beings today yield huge dividends for our collective security and prosperity tomorrow. It's not just the right thing to do, it's the smart thing to do.

I would add, as a side note, that the changing nature of today's foreign policy challenges has required a change in our foreign service as well—something Secretary Clinton has championed. In the past, diplomacy tended to take on more traditional forms—working in capitals, serving behind Embassy walls, reporting cables, government-to-government meetings, civil society outreach. That obviously still occurs. But today, our foreign officers are increasingly expeditionary—posted not just in capitals, but in more remote and dangerous regions, in rural Afghanistan and Iraq and Sudan and South Sudan. That brings its own new set of challenges, from serving unaccompanied, without families, to basic security. Indeed, we've seen these patriotic Americans give their lives in the line of duty. And today, I want to thank and salute all our outstanding professionals at the State Department and USAID.

Thanks to these Americans, we've harnessed our smart power. We've strengthened key alliances, from Europe to Asia, and we're leading again in the Asia Pacific, a region that will be vital to our long-term security and prosperity. We've engaged more deeply with the United Nations and multilateral institutions. We're working with Russia to reduce our deployed nuclear warheads to their lowest levels since the 1950s. We've mobilized dozens of nations to secure nuclear materials and prevent nuclear terrorism. And we've rallied the international community to impose the strongest sanctions ever on North Korea and Iran, which President Obama has made clear cannot be allowed to threaten the world with nuclear weapons.

We're harnessing our economic power—finalizing trade pacts with Colombia, Panama and South Korea to increase U.S exports; expanding trade with emerging powers from Brazil to India to Indonesia; working to open new markets to American businesses; increasing exchanges and collaborations in science and technology; and pursuing a high-standard trade pact in the Pacific that could be a model for the world.

We're standing up for the dignity people around the world—such as supporting the people of the Middle East and North Africa as they seek their universal rights. We joined with allies and partners to prevent a massacre in Libya. We're supporting political and economic reform in nations in transition, including Tunisia, Egypt, Libya and Yemen—reforms that not only strengthen democratic governance, but improve economic growth, which is absolutely essential for these transitions to succeed. In the face of unspeakable violence by the Assad regime, we're standing with the people of Syria—working to strengthen the opposition, ensure humanitarian assistance, further isolate and sanction the regime, and hasten the day when the Syrian people have a government that respects their rights.

Beyond the region, we're actively encouraging the reforms underway in Burma. And in each of these cases, civil society leaders are helping to lead the reform process, demanding good governance and civic and political freedoms for all. The United States is therefore committed to protecting the space for civil society to operate, recognizing the critical role it plays in transitioning democracies and, in fact, all over the world.

Put simply, by working to end the wars in Iraq and Afghanistan and engage other countries in a spirit of mutual interest and mutual respect—with a greater emphasis on a broader range of U.S. power—President Obama has succeeded in laying what he calls "a new foundation for American leadership" in the world. And perhaps nowhere do you see this more clearly than in his commitment to the area I what to focus on for the remainder of my remarks—the development that lifts nations and peoples from poverty to prosperity.

Speaking at the Millennium Development Goals Summit at the UN two years ago, the President was unapologetic in his support for development. He said, "Let's put to rest the old myth that development is mere charity that does not serve our interests. And let's reject the cynicism that says certain countries are condemned to perpetual poverty, for the past half century has witnessed more gains in human development than at any time in history."

As such, his National Security Strategy recognizes development as a moral, strategic and economic imperative. And on that day at the UN, he announced our new U.S. Global

Development Policy—the first of its kind by an American administration. It's premised on the conviction that the ultimate goal of foreign assistance and development is to create the conditions where that assistance is no longer needed. It focuses on helping to create the broad-based economic growth that lifts nations and people out of poverty. It prioritizes the empowerment of women and girls as a critical goal in itself and as central to achieving all of our broader development objectives. And it includes a new approach that harnesses the capacity of more nations, more organizations and more sectors, including the private sector. You see these principles at work across the spectrum of the administration's development initiatives.

The President's strategy for sub-Saharan Africa, for example, places a major emphasis on increasing trade and investment – across the region as well as with the rest of the world. This includes our support for the African Growth and Opportunity Act, which is why the President last month signed into law an extension of the third-country fabric provision. And we're partnering with countries to help create an enabling environment and reform their tax systems, which helps attract foreign capital and promote investments.

As part of our Global Health Initiative, we're not simply delivering medicine, we're working with countries to help strengthen their health systems and deliver better care. As a result, we've increased access to health care, helped bring down the costs of vaccines, and over the next few years we'll help save the lives of four million more children.

Related to this, the President has built on the important work of President Bush in combating HIV/AIDS. Under President Obama, we've increased support for the Global Fund to Fight AIDS, Tuberculosis and Malaria. And on World AIDS Day last year he announced ambitious new goals: providing anti-retroviral drugs to more than 1½ million HIV-positive pregnant woman over the next two years; and helping six million people get treatment by the end of 2013. As a result of these and other efforts, we can now imagine what was once unthinkable: the possibility of an AIDS-free generation.

As part of our food security initiative—Feed the Future—we're helping countries develop their agricultural sector and improve crop yields. This builds on the commitment that the U.S. and our G-8 partners made at L'Aquila three years ago. This past spring, the President announced a New Alliance for Food Security and Nutrition that brings more nations, international organizations and companies together around this shared goal. Starting with \$3 billion in private sector commitments in the three countries where the Alliance is beginning, we aim to boost farmers' incomes, and, over the next decade, help 50 million men, women and children lift themselves out of poverty.

Finally, I'd point to the Open Government Partnership, where dozens of nations have come together to promote the transparency and accountability that's necessary to uphold both human rights and economic development. After all, the biggest hurdle in many countries to economic development is corruption. Through this partnership, nearly 60 governments are collaborating with civil society, making use of new technologies to fulfill their commitments to good governance, transparency, accountability and strong institutions, which are the foundation for development and broad-based economic growth.

In closing, I'd simply note that all of these initiatives are pieces of our larger ongoing commitment to the assistance that saves lives and the development that uplifts countries and people. Under President Obama, we've increased assistance to the least developed countries. We'll continue to be the leader during humanitarian crises, as we've done as the single largest donor of aid in the Horn of Africa, the Sahel, South Sudan, Syria and Yemen. To President Obama, this is a moral obligation—as the wealthiest nation on earth, we have a moral obligation to help others. "We're making sure," he's said, "that the United States will be a global leader in international development in the 21st century."

That's the essence of smart power in the 21st century. This is how President Obama and his Administration have reoriented American foreign policy—turning the page on a decade of war and expanding our vision to pursue a broader array of opportunities and challenges. This is the foundation for a new era of American leadership that the President has laid—a foundation that recognizes the unique leadership role that the United States plays in the world; a foundation that requires all elements of American power; and a foundation upon which we intend to build—in partnership with all of you.

Thank you all very much.