

Yemen

Foreign Assistance Program Overview

Yemen continues to face serious security, humanitarian, and development challenges that threaten not only its long-term stability but regional and global stability as well. Yemen continues to suffer from the conflict that began in September 2014 which resulted in the Houthi rebel group taking over most of the western portion of the country and led to the collapse of country's military, social services, and commerce. In response to a plea from President Hadi to defend the Yemeni government, in March 2015 Saudi Arabia formed a ten-member coalition of predominantly Sunni Arab states and initiated an air campaign against Houthi military positions countrywide. Yemen already faced a fragile security situation, extremely high levels of need, and significant development challenges; these are all escalating dramatically due to the current, ongoing conflict. Despite the promise of the 2013-2014 National Dialogue Conference (NDC), the conflict has frozen the normal political process, and both parliamentary and presidential elections are overdue. The collapse of education, health, and law enforcement systems, as well as of livelihoods, will weigh heavily upon the country's initial steps toward recovery. The U.S. government remains committed to supporting all Yemenis who strive for a peaceful, resilient, and unified Yemen. The United States must be fully prepared and resourced to support these goals as soon as opportunities emerge, as this will be a critical time to prevent further deterioration and destabilization and help to create positive momentum. The convening of UN-mediated peace negotiations in December 2015, public commitments from the Republic of Yemen Government (ROYG) and parties to the conflict to a political settlement, and discussion of confidence building measures are early signals that Yemen is entering a critical period.

U.S. assistance and engagement will be vital to helping to stabilize and rebuild the country. Funding will support key interventions in democracy and governance, education, health, nutrition, water, and economic growth, with the end goal of assisting Yemen to recover from the conflict and become a more prosperous and resilient country. In particular, U.S. assistance can provide targeted assistance to support negotiations and the fragile political transition process that emerges as well as to help prevent further collapse of the economy and health systems, both of which would have disastrous repercussions across other areas. U.S. assistance will strengthen the ROYG's ability to confront terrorism, extremism, and other national security threats, which is critical to countering Al Qa'ida in the Arabian Peninsula (AQAP) and other militant groups.

U.S. assistance programs will respond as quickly as political conditions progress and the operating environment will allow, and in a manner that maximizes flexibility and coordination with international organizations and other donors. U.S. government personnel are currently located in the Yemen Affairs Unit in Jeddah, Saudi Arabia. The U.S. government is monitoring these developments and will consult closely with Congress on adjustments in programming activities.

Request by Account and Fiscal Year

| (\$ in thousands) | FY 2015 Actual | FY 2016 Estimate | FY 2017 Request | Increase / Decrease |
|---|-------------------|---------------------|--------------------|------------------------|
| TOTAL | 89,587 | * | 55,884 | -33,703 |
| Overseas Contingency Operations | 19,200 | * | 46,884 | 27,684 |
| Economic Support Fund | 19,200 | * | 40,000 | 20,800 |
| International Narcotics Control and Law | - | * | 1,000 | 1,000 |

| (\$ in thousands) | FY 2015 Actual | FY 2016 Estimate | FY 2017 Request | Increase / Decrease |
|--|-------------------|---------------------|--------------------|------------------------|
| Enforcement | | | | |
| Nonproliferation, Antiterrorism, Demining and Related Programs | - | * | 5,884 | 5,884 |
| Enduring/Core Programs | 70,387 | * | 9,000 | -61,387 |
| Global Health Programs - USAID | 9,000 | * | 9,000 | - |
| International Military Education and Training | 127 | * | - | -127 |
| International Narcotics Control and Law Enforcement | 1,000 | * | - | -1,000 |
| Nonproliferation, Antiterrorism, Demining and Related Programs | 5,250 | * | - | -5,250 |
| P.L. 480 Title II | 55,010 | * | - | -55,010 |

Economic Support Fund (ESF) - OCO

ESF-OCO assistance will support the ability of the Yemeni people to recover from the shocks and stresses of the conflict that escalated during 2015 and the significant negative impacts it had on inclusive governance, social cohesion, health systems and outcomes, the economy, and livelihoods. These shocks put additional stress on women and youth and undercut Yemen's peaceful political transition, which sought to address key drivers of the conflict. Post-conflict, U.S. assistance will help Yemen rebuild on the foundation left from the Gulf Cooperation Council Initiative, the NDC, and the constitution drafting process, and to adapt to the new realities of a more fractured society. As political negotiations and a durable ceasefire emerge, it is important the U.S. Agency for International Development (USAID) has the resources to meet the drastically elevated needs in Yemen and leverage opportunities to support a more stable, peaceful Yemen during a critical recovery period. Funding will focus on Yemen's critical recovery needs and activities that can strengthen Yemen's resilience against future sources of conflict in the areas of economic growth, health, and democracy and governance, as well as nutrition, water, and education with the end goal of assisting Yemen to recover from conflict. Assistance will be coordinated with the ROYG and international donors to ensure foreign assistance resources bolster a Yemeni-led democratic society and support the country's most vulnerable citizens.

Advance Effective and Representative Democracy

Key Interventions:

- To facilitate political engagement, approximately \$3.0 million in U.S. assistance will support conflict parties to normalize relations and integrate conciliatory voices into politics. Assistance will support potential snap elections, should there be a major breakthrough in peace negotiations, and confidence building measures. Assistance may also reach service ministries and select enclaves of local government to enhance citizen-state dialogue on recovery planning or to address citizen needs.
- Approximately \$6.6 million will support civil society's advocacy for the implementation of a political settlement to the conflict. Programs will work to elevate women and youth in politics and to strengthen civil society monitoring of local cease-fire agreements or of national peace accords. U.S. assistance will place special emphasis on populations and regions disenfranchised by the conflict, assisting with targeted programs that help aggrieved populations integrate into a peaceful political process and to elevate the voices of moderate actors.

Social Development Improved

Key Interventions:

- Approximately \$3.0 million will support accelerated basic education activities to bridge learning gaps allowing children and youth to more quickly make up for school days missed. These projects will integrate activities that aim to reduce psycho-social trauma so that students are more quickly able to return to school ready to learn.
- Approximately \$5.0 million will support basic education activities that ensure that the quality of instruction contributes to learning outcomes, particularly reading outcomes, by working to strengthen the early grade curriculum through improved pedagogies, materials, and enhanced community support for education. This project will continue to improve policy while building school and community environments that contribute to improved student learning outcomes.
- Approximately \$3.0 million in U.S. assistance will support targeted community-based behavior change to address early child health care (e.g., rapid treatment of diarrheal disease); linkages with emergency feeding supplementation (by humanitarian assistance partners) to reduce the risk that children with acute malnutrition do not repeat the cycle of poor health; and critical perinatal nutrition to improve birth outcomes and reduce low weight births. These activities will build on investments made by humanitarian assistance partners.

Sustainable Economic Opportunities Increased

Key Interventions:

- Approximately \$5.0 million will be used to advise and provide expert support to the government focused on key recovery and macroeconomic policies. Activities will provide assistance to identify strategies for economic stabilization with a focus on exchange rate management, as well as monetary and fiscal policy issues. These activities will help address immediate budget and salary issues, management of revenues from oil and gas resources, as well as inflation, trade and customs, and balance of payment issues.
- Approximately \$10.0 million will support livelihood activities focused on critical sectors needed to address the effects of the conflict on family income and services. This assistance will help restore livelihoods by helping families get their businesses up and running quickly to provide basic products and services needed by people in the community. This may include small grants for basic rehabilitation to help restart commercial activities disrupted by war, such as communication, transportation, and horticulture activities on a small business scale. Training opportunities for youth in areas such as health services will focus on mentoring opportunities as well as providing stable income.
- As part of the President's Global Hunger and Food Security initiative, Feed the Future, USAID will provide \$4.4 million to work with the ROYG to implement agricultural development programs that will provide support to farmers to access needed inputs and reestablish value chains for both livestock and agricultural crops.

Global Health Programs (GHP)

Conflict-related military activity has had a substantial impact on Yemen's national health care system, damaging facilities, reducing supplies and power, and limiting access. In addition, expatriate workers, who made up 70 percent of all healthcare staff in Yemen prior to the conflict, have fled in large numbers, leaving health facilities understaffed. While the World Health Organization has continued to monitor health facility activities among centers still open and functioning, many Yemenis have been forced to travel to seek basic care or, if lacking the necessary resources and security – forgo care. Security concerns continue to restrict access to vaccination campaigns in some areas of the country. Stocks of essential drugs, medical supplies, and equipment have been largely exhausted, with inadequate relief and commercial importation to address national health care needs. Chronic disease treatment (e.g. kidney dialysis) is stretched, placing patients at risk. Maternal and child health (MCH) and family planning and

reproductive health (FP/RH) services, as well as routine child survival activities, have also suffered from the conflict.

Yemen depends largely upon external donors to support health outcomes and invests little of its own resources in this area. Ongoing conflict has resulted in widespread destruction, civilian losses, and the deterioration of health systems, dramatically increasing the risk to already vulnerable populations. To tackle major recovery challenges, USAID will focus both on reducing mortality among women and children through quality service delivery programming, and reinstating commodity supply chain management systems that get essential drugs to facilities where and when they are needed. USAID's health investments will continue to be strategically designed to tackle joint U.S. government and ROYG priorities in maternal, newborn, and child health, family planning/reproductive health, and nutrition.

By utilizing low-cost, high-impact interventions, USAID implements Ending Preventable Child and Maternal Deaths activities to address major causes of preventable death among poor, vulnerable women and children. USAID's three-pronged approach provides a comprehensive strategy to improve health outcomes through: (a) health systems strengthening (namely supply chain management), (b) quality of health care services at facility and community levels, and (c) community-based behavior change focused on outcomes for women and girls.

USAID will support activities to improve performance in the equitable delivery of quality health care services and will support activities to reduce the stress of water scarcity. USAID will support efforts to refurbish and revitalize Yemen's weakened health facility and warehousing/distribution infrastructure and human resources workforce, as well as providing technical assistance to central and regional governments to help support post-conflict recovery efforts.

Assistance provided through the GHP account will support the goals and principles of the Global Health Initiative to achieve major improvements in health outcomes in three globally shared goals: ending preventable child and maternal deaths, creating an AIDS-free generation, and protecting communities from other infectious diseases.

Social Development Improved

Key Interventions:

- With \$5.5 million in MCH funding, USAID will support the revitalization of basic MCH/RH services, targeting vulnerable populations in areas hardest hit by the conflict. Activities will aim to stand up services that support maternity care for the mothers and newborns prevention and treatment of pneumonia and diarrhea in children under five, and support routine immunizations, including polio eradication efforts. Strategic linkages will be made with humanitarian assistance partners to carry forward lifesaving nutrition interventions for children and lactating mothers.
- With approximately \$3.5 million in FP/RH funding, USAID will advise and provide expert support to help the Ministry of Public Health and Population re-establish a strong FP/RH tradition. Standing up quality family planning/reproductive health services will help support Yemen's demand for child spacing. Additionally, USAID will resume investments in national and regional supply chain management to ensure that essential reproductive health commodities are quantified, ordered, purchased, warehoused, and distributed in a manner that eliminates the risk of national or regional stock outages.

International Narcotics Control and Law Enforcement (INCLE) - OCO

FY 2017 INCLE-OCO funds are for Program Development and Support assistance for domestic and overseas personnel to implement and oversee a renewed Yemen criminal justice sector program that will

be funded from available prior year funds. With those funds, the Department of State's Bureau of International Narcotics and Law Enforcement (INL) plans to restart programs to improve prison management and increase law enforcement skills and capabilities, as well as professionalize formal and traditional justice systems in Yemen. These efforts directly support our goal of enhancing the ROYG's capability to provide more professional, accountable, and responsive criminal justice institutions and services.

Protect U.S. National Interest by Strengthening Yemen's Ability to Confront Extremism and Other National Security Threats

Key Intervention:

- \$1.0 million of INCLE-OCO funds will provide for personnel to implement a criminal justice sector program in Yemen already funded in previous fiscal years.

Nonproliferation, Antiterrorism, Demining and Related Programs (NADR) - OCO

Despite the security threats and unstable political situation, the need for U.S. assistance has not diminished. Though most NADR programs are currently suspended, the Department of State is poised to restart them quickly once it is safe to do so. In FY 2017, U.S. assistance will support Yemen's efforts to counter terrorist threats to domestic, regional, and international security, as well as efforts to secure land and maritime borders against trafficking and to clear landmines and other explosive remnants of war. NADR Antiterrorism Assistance (ATA)-OCO funds will support ongoing efforts to help Yemen deal effectively with security challenges it faces within its borders, including AQAP and other violent extremist organizations. Through NADR Export Control and Related Border Security (EXBS)-OCO assistance, the U.S. will assess strategic trade control needs in Yemen, following recent instability, and tailor programs to address the most urgent requirements. NADR Conventional Weapons Destruction (CWD) –OCO funds support programs that clear landmines and unexploded ordnance and provide mine risk education to at-risk populations along with medical assistance and rehabilitative care to landmine survivors.

Protect U.S. National Interest by Strengthening Yemen's Ability to Confront Extremism and Other National Security Threats

Key Interventions:

- \$3.5 million of ATA-OCO funding will help to strengthen Yemen's civilian counterterrorism law enforcement capacity in multiple areas. Potential areas for enhanced engagement include: counterterrorism investigations, border security, cross-agency coordination, post-blast forensics, crisis response, and leadership/management. Training needs for civilian law-enforcement agencies will be identified and prioritized following an assessment of conditions and will be implemented as security conditions permit.
- \$2.0 million of CWD-OCO funds will support a capacity building project through the United Nations Development Program directly advising the Yemen Executive Mine Action Center. Despite the difficult operating environment, these funds will improve civilian security through the development of Yemen's local mine action capacity, reintegrate landmine and explosive remnants of war survivors into society and release cleared land to communities.
- \$0.4 million of EXBS-OCO funding will support a strategic trade controls capability assessment, an initial round of legal and regulatory consultations, and enforcement-related training and equipment for the Yemen Coast Guard and Yemen Customs Authority. Funds may also be used to provide basic inspection and detection equipment.

Performance Information in the Budget and Planning Process

Key Program Monitoring and Evaluation Activities: USAID employs a third-party monitoring and evaluation (M&E) partner to ensure the validity and accuracy of the reporting data from USAID partners through field oversight. During the conflict period, USAID's third-party monitor provided regular reporting of the broader socio-economic and security environment as well as sector-level assessments that assess the validity of USAID's existing strategy and necessary adjustments. However, given the general suspension of activities, there have been no other M&E efforts in Yemen.

Use of Monitoring and Evaluation Results in Budget and Programmatic Choices: Ongoing reporting and sector-level assessments from USAID's third-party monitor will inform USAID's planning for post-conflict assistance and guide necessary shifts in USAID's overarching and project-level strategies to most effectively meet Yemen's post-conflict needs.

Detailed Objective Descriptions

Advance Effective and Representative Democracy: In FY 2015, democracy and governance assistance focused on maintaining the forward momentum on Yemen's transition milestones – the completion of the National Dialogue, ratification of a new constitution, and national elections. Consensus on the structure of the state and transition of power through national elections remains elusive, and is not likely to materialize by FY 2017. In FY 2016, USAID had intended to pivot from supporting this transitional process to institutionalizing real change, which would have relied on the willingness of leaders and government institutions to implement the conclusions of the national dialogue and engage in challenging, fundamental reforms. These assistance activities were interrupted by mounting insecurity and the eventual engagement of a Saudi-led coalition supporting the ROYG through airstrikes that began in March 2015. At planned FY 2017 levels of \$9.6 million, democracy and governance activities must complement broader recovery efforts and recognize that Yemeni counterparts will be starting from a lower base than pre-conflict, with challenges related to increased poverty rates, a fragmented security sector, local conflicts, diminished state capacity to deliver basic services, and a fragile macro-economic and fiscal situation.

Social Development Improved: Yemen's post-conflict security environment and fragile political history present great challenges to all sectors, including health, nutrition, water, and education. To help address these challenges, USAID activities will work to identify and address drivers of conflict, improve livelihoods, promote economic development and effective governance, strengthen Yemen's social compact, and increase access to basic services. USAID's health investments will continue tackling joint United States and ROYG priorities in maternal, newborn, and child health, family planning, and nutrition. Elevated food prices, the breakdown of household incomes, access issues, and a breakdown in health services during the conflict exacerbated existing issues with malnutrition, with early data pointing to dangerously high levels of global acute malnutrition. USAID assistance will build on humanitarian efforts to help reverse these trends. The ongoing conflict in Yemen has had devastating impacts on schools, with millions of children losing access to education, and with over 1000 schools damaged by the conflict or occupied by internally displaced persons or armed groups. Missed schooling and psycho-social trauma from the conflict risk lasting effects on Yemeni children. USAID's education activities will help mitigate these effects while contributing to the Yemeni government's ability to deliver essential services around the country.

Sustainable Economic Opportunities Increased: Ongoing conflict threatens has devastated Yemen's already fragile economic situation. Government reserves have reportedly dropped dramatically and available data suggests that most households have lost part or all of their income. Repairing the

economic situation, both at the macroeconomic level and for individual Yemenis, will be critical to improving resiliency and overcoming the destabilizing effects of the conflict. USAID’s assistance to the ROYG on macroeconomic policy will help ensure the implementation of critical policies during initial stages of the recovery period and will help set the foundation for engagement by other donors. At the household level, USAID will help restore incomes through support for livelihood activities, particularly in critical sectors. Part of helping Yemeni households will be ensuring they have the resources to rebuild livelihoods through microcredit. Lack of opportunities and basic resources – as well as disparities between different groups and regions – has been a conflict driver in Yemen for years. Helping restore Yemeni household income sources, including among youth and marginalized groups and regions, will help combat the forces of social instability that further threaten Yemen’s fragile political transition process and will help build the optimism needed to support political and social reconciliation.

Protect U.S. National Interest by Strengthening Yemen’s Ability to Confront Extremism and Other National Security Threats: Yemen remains the primary safe haven for AQAP, which exploits Yemen’s fragile political environment and threatens regional and global security. Moreover, Yemen’s strategic location on the Arabian Peninsula and its porous borders leave the country vulnerable to a host of other security risks. U.S. assistance will continue to develop the capacity of Yemen’s security forces to conduct counterterrorism operations against AQAP and other extremist elements, secure its borders from external threats, and protect national infrastructure and the population.

Integrated Country Strategy (ICS) Mission Objectives by Account and Program Area

| (\$ in thousands) | FY 2017 Request |
|---|--------------------|
| TOTAL | 55,884 |
| Advance effective and representative democracy. | 9,600 |
| Economic Support Fund - OCO | 9,600 |
| 2.3 Political Competition and Consensus-Building | 3,000 |
| 2.4 Civil Society | 6,600 |
| Social development improved. | 20,040 |
| Economic Support Fund - OCO | 11,040 |
| 3.1 Health | 3,000 |
| 3.2 Education | 8,040 |
| Global Health Programs - USAID | 9,000 |
| 3.1 Health | 9,000 |
| Sustainable economic opportunities increased. | 19,360 |
| Economic Support Fund - OCO | 19,360 |
| 4.1 Macroeconomic Foundation for Growth | 5,000 |
| 4.5 Agriculture | 4,300 |
| 4.7 Economic Opportunity | 10,060 |
| Protect U.S. national interest by strengthening Yemen’s ability to confront extremism and other national security threats. | 6,884 |
| International Narcotics Control and Law Enforcement - OCO | 1,000 |
| 1.3 Stabilization Operations and Security Sector Reform | 500 |
| 2.1 Rule of Law and Human Rights | 500 |

| (\$ in thousands) | | FY 2017 Request |
|---|--|--------------------|
| Nonproliferation, Antiterrorism, Demining and Related Programs - OCO | | 5,884 |
| 1.1 Counterterrorism | | 3,500 |
| 1.2 Combating Weapons of Mass Destruction (WMD) | | 384 |
| 1.3 Stabilization Operations and Security Sector Reform | | 2,000 |