



Integrated Country Strategy

Yemen

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1. Chief of Mission Priorities

Now entering its fourth year, Yemen's civil conflict has exacerbated the world's worst food security emergency and cholera epidemic, and engendered a war economy that further disadvantages the most vulnerable. According to the UN, as of June 11, 2018, there are almost 6,500 confirmed civilian casualties, including over 1,600 children with another 10,000 civilians injured in the ongoing conflict. The protracted war has drawn in neighboring states; it has led to collapsed state institutions, local power vacuums and ungoverned spaces that militias and terrorists are exploiting to threaten close regional allies and the U.S. homeland. The war has complicated our ongoing counterterrorism efforts and has provided Iran a space to pursue its own ambitions in Yemen, further threatening regional stability. A unified and prosperous Yemen, at peace with itself and its neighbors, is critical to stability in the Gulf region.

U.S. policy in Yemen is to support a UN-mediated resolution to the Yemen conflict. We will support the shuttle diplomacy efforts of the new UN Special Envoy to Yemen as he imminently seeks to launch a framework for a new round of negotiations. We will support the ceasefire, transition, and national unity government agreements by the parties reached through UN-mediated peace talks. The United States will continue to lead the international community's response to mitigate the humanitarian crisis, while helping to build a stronger foundation for durable peace by strengthening Yemeni systems, including government, civil society, private sector, and community institutions and processes that reduce conflict. Greater access to basic social services and economic opportunities will reduce conflict arising from scarce resources. Our political-military engagement and security assistance, in partnership with the legitimate Republic of Yemen (ROYG) government, is re-building the counterterrorism and smuggling interdiction capabilities of Yemeni security forces. With over one million former combatants projected, we are planning long-term engagement on post-conflict Security Sector Reform (SSR) and Disarmament, Demobilization and Re-integration (DDR) needs.

U.S. engagement will focus on (1) Achieving a comprehensive peace agreement through UN-led mediation and supporting its implementation (2) supporting Yemeni economic stabilization and institutional capacity to lead social development and foster growth and (3) enhancing the security of Yemen, its regional partners, and the U.S. homeland. The greatest challenge the Yemen Affairs Unit (YAU) faces is pursuing these objectives remotely from Saudi Arabia. Our impending move from U.S. Consulate Jeddah to Embassy Riyadh will enhance our effectiveness by providing closer proximity to the Riyadh-based ROYG and other key Yemeni political and media contacts, diplomatic counterparts, UN and other international humanitarian interlocutors, and the Saudi-led Coalition headquarters. As the ROYG spends more of its time in Aden, short trips by the YAU to Aden - as security conditions permit - will enhance our ability to engage a broader spectrum of contacts in-person, and monitor assistance implementation on the ground.

Goal #1 is to build consensus among the parties on a new framework for negotiation and launch of peace talks through supporting the work of the new UN Special Envoy to Yemen (UNSE) We will direct our diplomatic engagement and plan to deploy \$5.5 million in State funding to the UN Special Envoy's peace negotiations operations. Stressing the urgency of seeking a lasting political solution to the conflict through inclusive dialogue, we will lend diplomatic support to UN shuttle diplomacy among the parties, in addition to ceasefire and transition agreements that emerge from UN negotiations. We maintain that the foundation for Yemen's political transition is the National Dialogue Conference (NDC) outcomes, UNSCR 2216 and future UNSC resolutions on Yemen, and the GCC Initiative and Implementing Mechanism. We will continue through CSO to map security actors and influencers who can monitor local ceasefires and de-escalate violence, and are working to build the capacity of civil society (especially women and youth) to feed into the peace process. When the parties reach a negotiated settlement and the environment is permissive, USAID and State expect to support local government officials, political party officials and citizen groups to participate in and monitor political and electoral benchmarks of a transition process.

Goals #2 and 3 focus on mitigating the humanitarian crisis through life-saving support, while building a strong foundation for durable peace through investing in Yemen's economic recovery. The United Nations estimates that 22.2 million Yemenis, 80% of the population, are in need of assistance. Furthermore, even if the \$2.3 billion UN Humanitarian Response Plan (HRP) received full funding, aid would only reach about 40% of those in need. The United States is among the top humanitarian assistance donors to Yemen, with \$738 million in FY 2017. We will focus on programming that boosts the positive impact of this humanitarian assistance on the local economy, and addresses systemic needs that cannot be met through humanitarian assistance. We will contend with the fundamental economic drivers of the current crisis: collapsed economic and governance institutions, diminished purchasing power, and stalled trade. USAID will promote social protection programs to create job opportunities through support to value chains (including agriculture) and Small and Medium Enterprises. This will lead to secure livelihoods for thousands of Yemenis. USAID will continue to provide technical assistance to the Central Bank of Yemen to strengthen this critical pillar of the Yemeni economy and boost its ability to facilitate imports and international trade. We will also focus on stabilization and governance capacity building in liberated areas of Yemen under ROYG control to enhance Yemenis capacity to manage conflicts at the local level. USAID will invest in Yemen's Education system, feeding more than 900,000 Yemeni children daily and putting over 2 million children back in school. USAID will also support recovery of Yemen's health system and repair infrastructure to provide potable water and reduce the likelihood of further devastating cholera outbreaks.

Goal #4 is sustained support for Yemen's military and security sector. The current conflict has caused the deterioration and dislocation of Yemen's military and security sector. While the alliance between the Houthis and former President Saleh ended with his death in December 2017, the Houthis remain in control of much of Yemen's traditional military infrastructure and weapons caches in the North. The ROYG armed forces continue to reconstitute themselves, even as they fight the Houthis and an expanded AQAP presence, in partnership with the Saudi-led Coalition (SLC). Through robust security cooperation programming, the United States will work closely with the ROYG and the SLC to strengthen

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the counter-smuggling and counterterrorism capacity of Yemeni forces, in addition to their maritime defense and customs and border protection capabilities. We will continue to support de-mining training, removal, and public awareness campaigns with ROYG entities. Over the long term, we are paving the way for the Disarmament, Demobilization, and Re-Integration of combatants as part of a peace deal, funding World Bank combatant mapping exercises that will serve as the foundation for donor engagement on this issue.

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2. Mission Strategic Framework

Mission Goal 1: Conflicting parties achieve a Comprehensive Peace Agreement with the assistance of the UN, the United States, and other partners.

Mission Objective 1.1: Conflicting parties reach consensus on a new framework for negotiation and launch of peace talks through supporting the work of the new UN Special Envoy to Yemen.

Mission Objective 1.2: Yemen experiences a permanent cessation of hostilities (COH).

Mission Objective 1.3: Yemen regains a unified, legitimate, representative government that exhibits increased transparency and improved governance.

Mission Goal 2: Yemen economy benefits from a stable, functioning financial system, capable of supporting private sector trade and development, facilitating food imports and international trade, and increasing the purchasing power of Yemeni citizens.

Mission Objective 2.1: The Central Bank of Yemen demonstrates institutional cohesion across Sana'a and Aden, as well as other bank locations, improves commercial banking supervision, and develops a more robust anti-money laundering/countering financing of terrorism (AML/CFT) capability.

Mission Objective 2.2: Engagement with regional and key donor partners results in the expansion of employment alternatives for youth, including former combatants, and income generation through development and implementation of targeted sustainable livelihoods and small and medium enterprise (SME) revitalization support initiatives.

Mission Goal 3: The U.S. and other donors build a stronger foundation for sustainable peace through flexible assistance efforts that help strengthen the ability of Yemeni systems and institutions to meet key citizen needs and manage conflict.

Mission Objective 3.1: Development assistance is coordinated with broad participation of Yemeni stakeholders and international donors to meet Yemeni people's needs.

Mission Objective 3.2: Yemeni people have improved access to health, education, and water.

Mission Objective 3.3: Communities' social cohesion and ability to address grievances strengthened, and inclusive peace and transition processes supported.

Mission Goal 4: The Government of Yemen is able to secure its borders, contribute to regional security, and prevent exploitation of ungoverned space in Yemen by internal and external actors.

Mission Objective 4.1: A rebuilt Yemeni domestic security sector capable of protecting the population against internal threats. These rebuilt Yemeni ground, maritime, and air forces become capable of protecting the population against external threats, and Yemen

counterterrorism forces cooperate with regional partners and are capable of countering violent extremist organizations (VEOs).

Mission Objective 4.2: Yemen experiences a successful disarmament, demobilization, and reintegration (DDR) of Yemen's civil war combatants.

Management Goal: Expanding activities of U.S. Mission Sana'a are fully resourced and aligned with U.S. foreign policy regional priorities, the YAU's continued presence in Mission Saudi Arabia, and projected day trips into Yemen.

Management Objective 1: The YAU Management platform is properly staffed and supported by Mission Riyadh, Bureau EX and the Post Support Unit (PSU) to meet Mission strategic goals while in suspended operations.

Management Objective 2: YAU office facilities and office procedures are flexible enough to properly support the YAU's dynamic posture and travel requirements.

Management Objective 3: Ensure sufficient resources and Interagency support to conduct multilateral diplomacy and support day trips to Yemen.