

U.S. POLICY IN YEMEN

HEARING
BEFORE THE
SUBCOMMITTEE ON NEAR EASTERN AND
SOUTH AND CENTRAL ASIAN AFFAIRS
OF THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION

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U.S. POLICY IN YEMEN

TUESDAY, JULY 19, 2011

U.S. SENATE,
SUBCOMMITTEE ON NEAR EASTERN AND
SOUTH AND CENTRAL ASIAN AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:30 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert P. Casey (chairman of the subcommittee) presiding.

Present: Senators Casey, Coons, Udall, Risch, and Corker.

OPENING STATEMENT OF HON. ROBERT P. CASEY, U.S. SENATOR FROM PENNSYLVANIA

Senator CASEY. The hearing will come to order.

I will start with an opening statement, and then we'll of course introduce our witnesses, and then we may have other statements as well.

But I want to thank everyone for being here. We're getting started just at the right time. And we're here today for a very important purpose.

We're here today to discuss the complex set of challenges facing United States policy in Yemen, and that examination of policy comes amid 5 months of popular protests and political unrest.

During this historic period of sweeping change in countries like Egypt, Tunisia, and Syria, Yemen often gets overlooked. However, as a result of the power vacuum caused by President Saleh's departure to Saudi Arabia in June, there are serious concerns over the government's ability to prevent al-Qaeda from gaining a foothold, or I should say a stronghold, in the country, as well as broader concerns about the growing humanitarian and economic crises that are plaguing Yemen today.

Al-Qaeda's presence in Yemen is not new. We know that. But it has grown increasingly worrisome in the past several years.

Al-Qaeda in the Arabian Peninsula, as we know by the acronym AQAP, has carried out multiple attacks against the people of Yemen and also against Americans as well as other countries and her citizens.

We all remember the foiled Christmas Day so-called underwear bomber attack in 2009, which revealed AQAP's strategy of direct attacks on the U.S. homeland. In October of last year, Yemeni terrorists again targeted the United States homeland with UPS packages containing explosives. One of the packages was bound for the

Philadelphia International Airport in my home State of Pennsylvania.

Given the direct threat that AQAP poses to United States national security interests, and taking into account significant gains made in United States operations against al-Qaeda in Afghanistan and Pakistan over the past year, counterterrorism efforts in Yemen must be a central focus of our national security strategy.

That said, our counterterrorism concerns are closely intertwined with political, economic, and developmental challenges as well. And those challenges are those that the United States must work to address as part of a holistic approach to this challenge.

First of all, I'll just outline three priorities. First, we need a better understanding of the political opposition and prospects for democratic reform. Acting President Hadi, the Vice President in Yemen, has only a small power base, and the opposition appears fractured between the so-called Joint Meeting Parties, the JMP, and other individuals, such as Ali Muhsin, the former commander of the First Armored Division, and Sheikh al-Ahmar, leader of the powerful al-Ahmar family.

Over the weekend, elements of the opposition announced the formation of a shadow government, though the composition and support for the group remains unclear. It is clear, however, that the transition process will take place sooner or later.

The President has committed to eventually stepping down, which will result in new leadership for Yemen, the first time in 33 years. But the United States needs to be prepared for this post-Saleh government, whatever that might be, and we don't know the contours of that yet.

Second priority of the three that I'll mention in this statement, we must be prepared to address the rapidly deteriorating humanitarian crisis. The violence between pro-Saleh forces and opposition demonstrators has only exacerbated already chronically poor conditions in the country itself, where the average citizen survives on less than \$2 a day.

A third of Yemen's population is undernourished and the country is facing a severe water shortage. It also faces, as well, a food and fuel crisis at the same time.

Education indicators are among the lowest in the Middle East. Only 32 percent—32 percent—of girls are attending secondary school.

The United States needs to send a message of solidarity with the people of Yemen, and part of that message we need to send is that we're concerned about their well-being and their prospects for the future. While the United States will not be able to solve the daunting development and economic challenges facing Yemen, we can help mitigate their impact through our development and humanitarian assistance.

Third and final point, the United States and our international partners should develop a long-term strategy on conflict resolution in Yemen. In a country rife with tribal conflict, most recently and notably the Houthi rebellion in the north and secessionist movements in the south, al-Qaeda has found a safe haven.

This is a clear example of how our counterterrorism strategy must have a civilian component. USAID has done good work

through community outreach programs aimed at fighting extremism among young people, but this is just the tip of the iceberg. Saudi Arabia has a unique role to play, given its strong ties to the Yemeni people and security interests.

We must think strategically about how best to leverage our collective resources to achieve a sustainable development policy.

As we turn to our witnesses, it's important to emphasize that Yemen cannot be viewed through a single lens. In a country where vast political, security, humanitarian, and development challenges continually converge, the United States must endeavor to formulate a coordinated short-term and a long-term policy based on our core national security interests.

So I commend our diplomats, and I want to commend, in particular, Gary Feierstein and Deputy Chief of Mission Elizabeth Richard, who work continuously in an increasingly difficult environment.

I look forward to hearing more about how the United States can better examine and address the threats posed to our national security and, ultimately, to better meet the legitimate needs of the Yemeni people.

And now I turn to our ranking member, Senator Risch.

**OPENING STATEMENT OF HON. JAMES E. RISCH,
U.S. SENATOR FROM IDAHO**

Senator RISCH. Chairman Casey, thank you so much for scheduling this hearing. It's really appropriate that we do focus on Yemen at this particular time.

With the Arab Spring and the many changes that are coming to the Middle East, it's really important that we do focus on Yemen, which is becoming increasingly more important to United States policy in the Middle East.

As we all know, Yemen lies in the strategic crossroads between the Arabian Peninsula and the Horn of Africa. It has seen a flow of extremism and terrorists cross back and forth. And recent victories of al-Qaeda in the Arabian Peninsula and in Southern Yemen should be troubling for United States policymakers.

It seems the Department of Defense is pursuing counterterrorism policies which indeed have demonstrated some success, but many State Department resources have been focused very much on the capital, and the outlying areas of Yemen need more attention.

We need a more comprehensive strategy that coordinates the activities of the State Department and the Department of Defense.

While there are immediate challenges we must confront in Yemen, we must also make sure we are not making longer term issues in the country worse. The dangers of Yemen breaking apart and becoming even more of a lawless landscape will have serious repercussions on the long-term interests of the United States in the region.

Another safe haven for pirates, the potential for attacks like the USS *Cole*, and other threats endanger U.S. interests and personnel in the region.

I hope we can quickly develop a broader strategy, because the consequences for the region could be severe if we don't.

I welcome this hearing today in order to hear from our witnesses and their thoughts on solutions and moving forward in the region.

Thank you very much, Mr. Chairman.

Senator Casey. Thank you, Senator Risch.

I'll introduce our witnesses, and we'll go right to their testimony.

In our first panel—and I'll limit the introduction to our first panel, and we'll do the second panel when we reach that point—we'll hear from the Honorable Janet Sanderson, Deputy Assistant Secretary of State for Near Eastern Affairs; the Honorable Daniel Benjamin, Coordinator for Counterterrorism at the Department of State; and Ms. Christa Capozzola, Deputy Assistant Administrator in the Bureau for Democracy, Conflict and Humanitarian Assistance at USAID.

And for purposes of movement from left to right, Ambassador Benjamin, I think we'll start with you.

STATEMENT OF HON. DANIEL BENJAMIN, COORDINATOR FOR COUNTERTERRORISM, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador BENJAMIN. Chairman Casey, Ranking Member Risch, thank you very much for inviting me to appear before you today.

As you'll hear in a few moments from my colleague, Ambassador Sanderson, the situation in Yemen in terms of politics and economics is quite tenuous.

The presence of al-Qaeda in the Arabian Peninsula, AQAP, means that this volatile situation has a direct bearing on our national security. As we've seen with both the 2009 Christmas Day bomb attempt and the cargo bomb attempts 1 year later in fall of 2010, AQAP has developed not just the desire but also the capability to launch strikes against the United States at home.

As a result of the last several months of political unrest, the Government of Yemen's efforts against AQAP have suffered a setback. When it called most of its security forces back from the provinces, including its counterterrorism units, to Sanaa, where most of them remain today, AQAP took advantage of the power vacuum to expand its operational territory, particularly in the south, which historically has resisted rule from the north and the capital in Sanaa.

AQAP has made territorial gains in Abyan governance, specifically attacking the capital city of Zinjibar. This potentially threatens the port city of Aden and gives AQAP access to international sea-lanes.

Our two-pronged strategy recognizes that Yemen's long-term stability requires addressing the factors that lead to instability by promoting good governance, the rule of law, and human and economic development. However, in order to promote those long-term goals, we must help the government confront the immediate security threat represented by al-Qaeda.

Our counterterrorism strategy strives to build the capabilities of Yemen's security forces to effectively combat AQAP and other terrorist elements, and also to reduce the appeal of AQAP to potential recruits.

In 2010, the United States provided an estimated \$179.8 million in training and assistance to Yemen's key counterterrorism and

related law enforcement units. Specifically, through 1206 section funding, DOD has helped build the capacity of Yemen's military forces to conduct counterterrorism operations with programs that provide training and equipment to Yemen special operation forces, Yemen coast guard, border security forces, and the Yemeni air force.

However, no FY 2011 1206 funding has been programmed for Yemen, unfortunately, because of the security situation and political unrest.

Antiterrorism assistance training is provided to the Ministry of Interior's Criminal Investigative Division and to the Central Security Organization, and it focuses on building investigative capabilities of the police and the security forces to detect, disrupt, and respond to terrorist threats.

ATA program objectives also include improving cross-ministerial coordination, strengthening crisis response, and developing the ability to detect dangerous devices upon entry at land, air, and maritime borders. However, again, due to the security situation, ATA training was suspended in February, and we plan to resume it when the situation improves.

We have also provided training and equipment for improving biometric databases and aviation security, and assistance to build capacity of the criminal justice sector.

In addition to security assistance, we are gearing up some important efforts in the area of countering violent extremism. With the Department of Defense, we have a project to assess radicalization at the provincial level, to develop tailored approaches to counter violent extremism, including viable alternatives for at-risk youth, encouraging local credible voices to challenge the AQAP message.

To develop a better understanding of AQAP messaging and audiences, the State Department's Counterterrorism Strategic Communications Center is commissioning research and analysis projects that will outline AQAP narratives, including how these narratives align with or conflict with specific audiences.

Despite the challenge posed by the political situation, our counterterrorism cooperation continues, as we share a common interest with the Yemeni Government of fighting terrorism and defeating AQAP. It is important to underscore that our counterterrorism partnership goes beyond one individual. And based on our conversations with a broad cross-section of Yemenis, we are confident that it will continue once a political resolution is achieved.

I want to thank you very much, again, for inviting me to testify before this committee on this very important subject, and I look forward to your questions.

[The joint prepared statement of Ambassador Benjamin and Ambassador Sanderson follows:]

PREPARED JOINT STATEMENT OF AMBASSADOR DANIEL BENJAMIN AND
AMBASSADOR JANET A. SANDERSON

Chairman Casey, Ranking Member Risch, distinguished members of the committee, thank you for inviting us to appear before you today. Representing our colleagues in the Bureau of Near Eastern Affairs and the Office of the Coordinator for Counter Terrorism, we appreciate the committee's abiding interest in and attention to our Nation's priorities and goals in the region. We are pleased to present the com-

mittee with an overview of the administration's policy and our relationship with Yemen.

Civil unrest in the Middle East and North Africa has focused attention closely on the broad issue of governance across the region, particularly in Yemen. Yemen is confronting myriad political, economic, social, security, and governance challenges and the current political crisis has exacerbated systemic issues such as unemployment, lack of opportunities for a large youth bulge and rapidly growing population, unequal development, political marginalization, widespread corruption, weak state institutions, declining government revenues, growing natural resource scarcity, and terrorism. Consistent with United States national interests, we have been working to help Yemen address these challenges.

The 2009 Christmas Day bomb attempt and cargo bomb attempts in fall 2010 made us all acutely aware of the threats posed by ungoverned and poorly governed spaces in Yemen and around the world. But this is not a new security concern. Al-Qaeda has had a presence in Yemen since at least December 1992, when it attempted to bomb a hotel in Aden where American military personnel were staying. Today al-Qaeda in the Arabian Peninsula (AQAP) has developed not just the desire but also the capability to launch strikes against United States territory. More than ever, AQAP demonstrates that its terrorist violence is directed both inside and outside Yemen, and the rise of the self-styled AQAP presents a direct threat to the security and well-being of the people of Yemen, the broader Arabian Peninsula, and to the United States, its friends, and allies. A key part of our work to "disrupt, dismantle, and defeat" al-Qaeda involves addressing the problem of terrorism in Yemen from a comprehensive, long-term perspective, including a commitment by the broader international community and a bilateral partnership with the United States to build capacity.

U.S. POLICY IN YEMEN

We recognize that terrorists have taken advantage of a lack of security in various regions of Yemen as a result of the political uncertainty and internal conflicts. We also know that Yemen faces many resource challenges that negatively impact good governance, the delivery of services, and the effectiveness of the security architecture that is needed to effectively combat terrorism. For that reason the United States has adopted a two-pronged strategy for Yemen—helping the government confront the immediate security threat represented by al-Qaeda, and mitigating the serious political, economic, and governance issues that the country faces over the long term—the drivers of instability.

RECENT POLITICAL UNREST

Peaceful civic engagement in national affairs is key to the democratic process. As is true in every country, it is ultimately for the people of Yemen to decide who governs. While most protests in Yemen have been peaceful since they began in January of this year, there have been violent clashes between pro- and anti-government demonstrators and between protestors and government security forces and irregular elements using force to break up demonstrations. These have resulted in many injuries and deaths. We are particularly concerned by government use of force against demonstrators and incidents in which one group or another appears to have provoked clashes. The United States has strongly urged and publicly called for the Yemeni Government to investigate and prosecute all acts of violence against protestors. We have continuously called for all Yemenis, including the government, to refrain from violence and exercise restraint, and we continue to express our support for the right of all Yemenis, like people everywhere, to peacefully demonstrate.

The United States continues its regular engagement with the government, including both President Ali Abdullah Saleh (who is currently recovering in Saudi Arabia from injuries following a June 3 attack on his compound) and the Acting President, Vice President Abdo Rabbu Mansour al-Hadi. Our Embassy also meets with leaders of the opposition parties and civil society activists on the range of issues of interest to the United States, including political reform. We support efforts of the Yemeni Government, the opposition parties, and civil society to come together through dialogue to peacefully resolve political differences. We strongly support the Gulf Cooperation Council (GCC) initiative which would lead to a peaceful and orderly political transition. While there have been many proposals to resolve political differences, only the GCC initiative was put into writing and signed by both the ruling General People's Congress Party and the opposition coalition Joint Meeting Parties. Furthermore, the GCC initiative calls for a transition via democratic elections, which we believe are critical to long-term stability and government accountability. President Saleh has repeatedly said he will sign the agreement, but has also repeat-

edly refused to sign it. We continue to call on him to sign the initiative as the last remaining signatory so that a transition of power can begin immediately.

COUNTERTERRORISM AND SECURITY EFFORTS

Our political efforts are just one element of our work in Yemen. We are implementing a multifaceted strategy designed to address the terrorist activity that threatens Yemen and the United States, as well as the causes underlying Yemen's instability. This strategy marshals U.S. resources to improve Yemen's macroeconomic stability, increase the sustainable and equitable delivery of services, and improve local governance and civic participation over the long term while addressing immediate political and security concerns in the short term. We are not alone in this effort. Yemen's neighbors, European countries and multilateral organizations have come together to assist Yemen in dealing with its multiple challenges in the political, economic, and security areas.

Our counterterrorism strategy focuses on building the capabilities of Yemen's security forces to counter AQAP effectively. AQAP has developed not just the desire but also the capability to launch strikes against the United States as demonstrated by the 2009 Christmas Day bomb attempt and the cargo package bomb attempts of October 2010. Our strategic approach to terrorism and the serious political, economic, and governance issues that Yemen faces must be comprehensive and sustained, taking into account a wide range of political, cultural, and socioeconomic factors.

The current protracted political standoff is having an adverse impact on the security situation in Yemen. AQAP has taken advantage of ongoing political unrest to expand its operational territory, especially in the south. The Government of Yemen's efforts against terrorist elements have suffered a setback due to the last several months of political unrest. The government called back most of its security forces, including its counterterrorism units, to Sanaa where most of them remain. As a result, AQAP has made territorial gains in Abyan governorate, specifically attacking and remaining in the capital city of Zinjibar. This is of great concern to us and the Yemeni Government.

Despite the challenge posed by the political situation, our counterterrorism cooperation continues as we share a common interest with the Yemeni Government in fighting terrorism and defeating AQAP. It is important to underscore: Our counterterrorism partnership goes beyond one individual, and based on our conversations with a broad cross-section of Yemenis, we are confident that it will continue once a political resolution is reached.

To help meet our security interests, in 2010, the United States provided an estimated \$172 million in training and assistance to Yemen's key counterterrorism and related law enforcement units:

Through 1206 section funding, DOD has helped build the capacity of Yemen's military forces to conduct counterterrorism operations. Section 1206 programs provide training and equipment to Yemen Special Operations Forces (YSOF), Yemen Coast Guard (YCG), Border Security Forces, and the Yemen Air Force (YAF). However, no FY 2011 1206 funding has been programmed for Yemen because of the security situation and political unrest.

The Office of Antiterrorism Assistance (DS/T/ATA) has provided Antiterrorism Assistance (ATA) to the Yemen Government on an intermittent basis since 1987. ATA training is provided to the Ministry of Interior's (MOI) Criminal Investigative Division (CID) and Central Security Organization (CSO) and focuses on building investigative capabilities of the police and security forces to detect, disrupt, and respond to terrorist threats. ATA program objectives include building investigative capabilities, improving cross-ministerial coordination, strengthening crisis response and developing the ability to detect dangerous devices upon entry at land, air, and maritime borders. However, due to the security situation, ATA training was suspended in February. We plan to recommence our assistance when the situation improves.

In addition, we have also provided other assistance, including training and equipment for improving biometric databases and aviation security, and assistance to build the capacity of the criminal justice sector.

In addition to security assistance, we have begun an effort to develop a better understanding of AQAP messaging and audiences, so we can effectively counter its narrative and reduce its recruiting. The State Department's Counterterrorism Strategic Communication Center (CSCC) is commissioning a research and analysis

project that outlines AQAP narratives, including how these narratives align with or conflict with specific audiences, as al-Qaeda communicators routinely tailor their messaging to local contexts. In addition, we are working with DOD to assess radicalization at the provincial level in Yemen, so that we can develop tailored approaches to counter terrorism, including viable alternatives for at-risk youth and encourage locally credible voices to challenge the AQAP message.

HUMANITARIAN AND DEVELOPMENT EFFORTS

To advance our strategy, we've engaged consistently and intensively with our Yemeni counterparts—from the highest levels of the Yemeni Government to interlocutors from civil society and the private sector. Senior administration civilian and military officials—including Secretary of State, Hillary Rodham Clinton—have visited Yemen this year.

In FY 2010, we significantly increased our humanitarian and development assistance to Yemen—providing over \$100 million. These funds go toward efforts to strengthen civil society, support community-level development, and improve livelihoods to address the long-term drivers of instability. The portfolio utilizes small scale, community-based projects and possesses sufficient flexibility to respond to rapidly changing economic and political conditions. Following months of unrest in Yemen, USAID focused its programming on the immediate needs of affected communities. Yemen's unrest has paralyzed economic and social development. The impact of this unrest on the daily lives of Yemenis, particularly the most vulnerable, has been devastating. As my colleague from USAID will discuss in more detail, USAID has expanded humanitarian assistance to help those displaced by violence in the south of Yemen and also continued to support vulnerable families displaced by earlier conflict in northern Yemen. Quick impact activities, designed to provide cash for work opportunities or assist with immediate needs such as water access, are also underway.

Separately, the Middle East Partnership Initiative (MEPI) is working with Yemeni civil society to empower Yemenis to shape their own future. MEPI supports elements essential to an inclusive society, such as responsible and representative political parties, effective and robust nongovernmental organizations, independent media, full civic participation by women, and a responsive educational system and private sector. We are committed to working with the Yemeni people and coordinating with our international partners as we work together on the full scope of issues.

We welcome the involvement of the international financial institutions and multilateral development banks, notably the World Bank and International Monetary Fund (IMF) along with key donor countries in addressing Yemen's economic and development challenges. As part of a broad global partnership, the United States and other partners have actively sought to help Yemen address the challenges that it faces, enhancing Yemen's security and improving its governance. The Friends of Yemen process provides a forum for the United States to engage international partners, including regional states, as we collectively work with the Government of Yemen to help address its challenges. Most World Bank and IMF work is on hold given the current situation, but we are committed to supporting international organizations as best we can in the immediate environment and are prepared to move forward to do more as soon as the conditions permit. If and when Yemen's political transition occurs, we will focus on helping Yemen secure financial assistance to stabilize its economy in the near term, while concurrently working with the international donor community to support Yemen in initiating a series of reforms that would lay the ground work for sustainable growth.

We also believe there will be an opportunity to continue important international engagement to assist the Government of Yemen in growing more transparent and responsive to the requirements of its citizens through the Friends of Yemen process once the Yemeni Government initiates political transition. A Friends of Yemen meeting scheduled for March 22 was postponed indefinitely by the Yemeni Government due to the political crisis and it is unlikely that we will be able to have a meeting before political transition takes place.

CONCLUSION

Ultimately, the goal of U.S. and international efforts is a stable, secure, prosperous, and effectively governed Yemen. This is an ambitious long-term goal that demands deep and ongoing coordination with the Yemeni Government, Yemeni civil society, and international partners. The United States and the international community will be able to more effectively engage in Yemen across a spectrum of issues

including political, security, economic, social, and governance reform, once the Yemeni Government initiates political transition and identifies its way forward.

Thank you for inviting us to testify before your committee today. We'd be happy to take any questions that you might have.

Senator Casey. Thank you very much.
Ms. Capozzola.

STATEMENT OF CHRISTA CAPOZZOLA, DEPUTY ASSISTANT ADMINISTRATOR, BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Ms. CAPOZZOLA. Mr. Chairman and Mr. Ranking Member, thank you for your invitation to testify before you today on Yemen.

The challenges and constraints to security, stability, and economic development for the Yemeni people are growing. The current political crisis and related economic impacts on foreign exchange, on imports, and on food and fuel access are increasing the number of vulnerable people countrywide.

At the same time, the increasing political violence has displaced an additional 70,000 or so people from their homes since February, adding to the already large humanitarian situation in the country.

USAID's programs and partners are responding to these fluid conditions under difficult circumstance. The strategy and portfolio were designed with sufficient flexibility to deal with evolving conditions, but the overarching goal of the strategy remains: to help build a solid foundation and the overall resilience and stability to enable Yemen to meet its development challenges longer term and mitigate the drivers of extremism.

The agency is doing this by focusing on two priorities: First, community-led activities to improve livelihoods for vulnerable population, and especially youth. These activities include cash for work, typically for community infrastructure improvements, like health services and safe drinking water access, also includes support for small farmers, access to improved inputs and irrigation.

Linked to this community-based effort is, of course, also USAID's maternal and child health program, including, for example, the 1,500 midwives we've trained just in the past year to improve women's access to health services around the country, plus also, of course, the range of community-based youth engagement and vocational training activities that we're supporting around the country.

The second area of emphasis is broadly the democracy and governance area, helping to improve governance capacity and strengthening the role of civil society in Yemen, so ultimately Yemen can achieve more inclusive and effective institutions that are able to respond to Yemen's citizens and mitigate conflict.

So how are we pivoting to meet these new challenges? First, let me say that although the U.S. mission is under order of departure, the USAID mission is still staffed at three, down from five. USAID's implementing partners are facing increased security constraints, and the pace of implementation in certain programs has slowed. But we continue to operate throughout the country.

Where we face new and acute security challenges plus humanitarian requirements, such as in the south in and around Zinjibar, access is a constraint to monitoring conditions and responding to

needs, but some key partners are operational and delivering humanitarian aid to those in need.

Further, USAID is closely coordinating with international organization partners and other bilateral donors to prepare for worsening food and humanitarian conditions by identifying needs and prepositioning relief in the areas of greatest concern.

We're also coordinating with our international partners to prepare for a potential transition. USAID coled a recent assessment of expected electoral process needs in the near future.

In addition to contingency planning, we are taking action under these rapidly evolving conditions. USAID is expanding its geographic scope to include urban areas where recent unrest has paralyzed more basic services and increased the number of vulnerable people. We are continuing summer programs for over 14,000 youths in five governorates, based on a successful pilot of youth engagement that was done last year.

The agency is providing, for example, medical supplies and pharmaceuticals to health facilities that are treating the wounded in cities that are facing extended violent protests.

Yemen is facing immense challenges at the same time local and global in nature, and it is in support of vital U.S. national interests to continue to provide development assistance to Yemen.

Thank you, and I look forward to your questions.

[The prepared statement of Ms. Capozzola follows:]

PREPARED STATEMENT OF CHRISTA CAPOZZOLA

Chairman Casey, Ranking Member Risch, distinguished members of the committee, thank you for inviting me to testify today on the United States development priorities in Yemen. In my testimony today, I will describe how USAID is helping the people of Yemen cope with the impact of the current political and economic crisis, and identify and mitigate the long-term drivers of extremism and instability.

CHALLENGES

Long-term underdevelopment throughout Yemen has resulted in chronic poverty, poor nutrition, and substandard living conditions, particularly related to food insecurity and limited water supplies. The recent political upheaval has resulted in a dire economic situation and increased humanitarian needs. Access to water is another key challenge, and fuel shortages have worsened the situation because it renders many wells inoperable. The political situation has exacerbated these underlying challenges. The near total breakdown of government services outside Sanaa has likewise heightened security and access problems for both the U.S. Government and our international partners in the most affected areas. Political violence has displaced 60,000–70,000 Yemenis from their homes since February, primarily in the south. This is in addition to the internally displaced people (IDPs) and conflict-affected Yemenis connected to the ongoing conflict in the north.

USAID STRATEGY

Despite security challenges and political turmoil, the U.S. Agency for International Development's (USAID) programs continue to operate throughout the country. Most local field offices and teams are able to operate, managing and monitoring programs in some of the most volatile areas of the country. Project implementation has slowed due to security challenges and fuel shortages. Access in some area, particularly southern Yemen, remains a persistent constraint to monitoring conditions and responding to emerging needs.

USAID's portfolio is designed with sufficient flexibility to respond to rapidly changing economic and political conditions. The program supports small-scale community-led projects to improve the livelihoods for vulnerable population. These include cash for work—particularly focused on Yemeni youth—for infrastructure improvements; health services and safe drinking water; provision of agricultural in-

puts like seed and fertilizer; veterinary services and training; and microfinance and small enterprise support.

Longer term development objectives are focused on building governance capacity at the local level, particularly for service-oriented ministries such as health and education and strengthening civil society organizations to mitigate conflict and strengthen avenues for civic participation and more inclusive governance.

CURRENT SITUATION AND PROGRAMMATIC SHIFTS

In the wake of recent protests, political violence, and the economic downturn, USAID is expanding its geographic scope to include populations in urban areas where recent unrest has paralyzed the provision of basic services. A USAID assessment team is on the ground this week to evaluate the situation, and recommend appropriate additional interventions.

Expanding political violence in and around the Abyan governorate has resulted in over 50,000–60,000 IDPs, primarily in Aden, Lahj, and Abyan governorates. In response, USAID is providing clean water and emergency relief commodities. In recent weeks, USAID has provided more than \$4.8 million in additional humanitarian assistance to Yemen, including \$3.6 million to respond to the increasing needs of internally displaced persons in Aden and Lahj governorates in southern Yemen. It is important to note that USAID continues to support a robust humanitarian program in the north to assist 400,000 IDPs and conflict-affected Yemenis. This multi-sector humanitarian response is concentrating on water and sanitation programs, including rehabilitating water points and addressing high salinity levels of household water.

Throughout the entire country in FY 2011 to date, the U.S. Government's humanitarian efforts total nearly \$48 million, including almost \$12 million from the International Disaster Assistance account, \$20.2 million from Food for Peace Title II food aid, and \$15.3 million for Yemeni IDPs and refugees from the Horn of Africa from the State Department's Bureau for Population, Refugees and Migration (PRM). Over \$35 million of the humanitarian assistance we provided is funding the current United Nations consolidated appeal for Yemen, for which the U.S. Government is the No. 1 donor worldwide. In FY 2010, the U.S. Government provided \$45 million in humanitarian assistance for Yemen.

Recognizing that deteriorating economic conditions could trigger severe food insecurity and other humanitarian consequences, USAID and the State Department are coordinating closely with its partners and other international donors to identify needs and preposition emergency relief supplies in the areas of greatest concern.

Additionally, since public utilities, schools, hospitals, clinics, and other service providers are finding themselves short on government capacity, supplies, fuel and staff, USAID is providing assistance to help maintain much-needed social services in some of the highest priority, least accessible areas around the country. USAID has also been responding to acute emergency requirements at the sites of large-scale protests in four cities by providing medical equipment and commodities to health facilities that are servicing those wounded in the protest violence.

U.S. Government programming is able to respond to the evolving needs of the Yemeni people and mitigate the effect of the worsening political and economic crisis. The agency is implementing seven water projects to expand networks to reach more households and markets and rehabilitate wells and public water storage tanks. These projects improve access to water and sanitation for 15,900 beneficiaries in five northern districts, where 2 months of clashes between Houthi militants and tribesmen have displaced hundreds of families. USAID partners are also rehabilitating roads in underserved areas. The roads improve access to services and markets for 39,000 residents of 80 villages while preventing isolated safe havens that can be exploited by militants.

Additionally, USAID is equipping and supporting the operations of mobile medical teams that visit underserved communities, treating approximately 3,000 cases per month, and working with clinics to ensure that they are able to operate cold storage units for medications. The 1,500 midwives we have trained in the past year are continuing to provide maternal and child health care to their communities.

Almost a quarter of our assistance supports democratic reform by encouraging citizen participation in the political process and strengthening government institutions to deliver public services. USAID will build on existing investments to respond to a possible political transition scenario. For example, USAID provided support to Yemen in the last Presidential and parliamentary elections and we are prepared to assist with future political processes and elections.

Total funding implemented by USAID (other than humanitarian assistance) grew to \$77.6 million in FY 2010, including crisis-response contingency allocations from

Department of Defense section 1207 resources (\$10 million) and USAID's Complex Crises Fund (\$12.8 million). These resources have been critical for USAID's capacity to operate flexibly and effectively throughout the country. The total amount of funding for FY 2011 from all accounts for Yemen is still under consideration.

CONCLUSION

USAID is meeting increasing challenges in Yemen and will continue to exercise rapid and flexible assistance response to evolving conditions related to a possible political transition, economic crisis, and humanitarian needs. I appreciate the opportunity to share what we are doing to support the needs and aspirations of the Yemeni people for a more stable, unified, and prosperous nation.

I look forward to your questions.

Senator Casey. Thanks very much.
Ambassador Sanderson.

STATEMENT OF HON. JANET SANDERSON, DEPUTY ASSISTANT SECRETARY OF STATE FOR NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador SANDERSON. Thank you, Mr. Chairman.

Chairman Casey, Ranking Member Risch, distinguished members of the committee, let me first join with my colleagues to thank you for inviting us to appear before you today. We appreciate the committee's abiding interest in and attention to our Nation's priorities and goals in the region. We are pleased to present the committee with an overview of the administration's policy and our relationship with Yemen.

As you rightly note, Mr. Chairman, civil unrest in the Middle East and North Africa in the past 6 months has focused attention on governance across the region.

Yemen is, indeed, confronting myriad political, economic, social, security, and governance challenges, and the current political crisis has exacerbated systemic issues such as unemployment, a rapidly growing population, weak state institutions, declining government revenues, growing natural resource scarcity, and, of course, violent extremism.

Consistent with U.S. national interests, we have adopted a two-pronged strategy for Yemen, helping the government confront the immediate security threat represented by al-Qaeda, and mitigating serious political, economic, and governance issues that the country faces over the long term, the drivers of instability.

The United States continues its regular engagement with the government, including with President Ali Abdullah Saleh, who's currently, as you know, recovering in Saudi Arabia from his injuries following a June 3 attack on his compound; the acting President, Vice President Abdu Rabu Mansour al-Hadi; the opposition; civil society activists; and others interested in Yemen's future.

We strongly support the Gulf Cooperation Council's initiative, which we believe would lead to a peaceful and orderly political transition, the GCC initiative signed by both the ruling General People's Congress Party and the opposition coalition Joint Meeting Parties.

Only President Saleh is blocking the agreement moving forward, and we continue to call on him to sign the initiative.

The situation on the ground remains extremely fluid, but the solution will come and must come from the Yemeni people, with the assistance and support of their international partners, namely the

GCC and Saudi Arabia. Conditions in Yemen continue to deteriorate under the pressure of growing protests and increasing divisions throughout the country.

Widespread inflation, including rising commodity prices, decreasing liquidity, and the threat of a food shortage this summer foreshadow an economic crisis in the coming months.

While most protests in Yemen have been peaceful over the last couple of months, there have been violent clashes between pro- and anti-government demonstrators, and between protesters and government security forces and irregular elements using force to break up demonstrations. The United States has strongly urged the Yemeni Government to investigate and prosecute all acts of violence against protesters.

Ultimately, Mr. Chairman, the goal of the United States and international efforts is a stable, secure, prosperous, and effectively governed Yemen. This is an ambitious, long-term goal that demands the deep and ongoing coordination with the Yemeni Government and the international partners. We will be able to more effectively engage in Yemen once the Yemeni Government initiates the political transition and identifies its way forward.

Thank you, Mr. Chairman, for inviting us to testify before your committee today, and thank you so much on behalf of Ambassador Feierstein and his colleagues at Embassy Sanaa for your very kind words. They certainly deserve it. My colleagues and I are very happy now to take your questions.

Thank you.

[EDITOR'S NOTE.—See page 5 for the prepared joint statement of Ambassador Sanderson and Ambassador Benjamin.]

Senator CASEY. Thank you very much. And to each of you, thank you for staying with your time limits even without being warned about time. We're grateful.

Let me just provide kind of a setting for my questions, and then I'll start with Ambassador Sanderson.

When you go through the list of challenges that we face, and of course the people of Yemen face directly, whether it's the basic security challenge because of the threat posed by al-Qaeda, not to mention other security issues, the poverty issue, health care—you go down the list. I'm not sure there's a place in the world that has more.

And then when you juxtapose that with the unusual circumstances as compared to even other countries in the region, and a lot of other places, where there was fervor for change, you had some kind of transition process, or at least the elements of a transition. There was a leader of one kind or another or a group of leaders where you could have a transition. Here, we have very little of that.

And of course, we've got a President who's not physically there, but also has kind of given, in my judgment, a lot of mixed signals to us and to the world. So there's a lot of—to say there's volatility and uncertainty is an understatement.

In the context of all that, all of those challenges, plus the unusual dynamic, which I just outlined and probably haven't done justice to, we get the news that there's a 17-member council, which some have described as kind of a shadow government of tech-

nocrats, that will ultimately select 501 members of a national assembly. And yet according to one published report, I guess it was the New York Times, that says that many of the members of the council weren't informed that they were named to the council.

So you have yet even more uncertainty and a lot of questions about whether or not just day-to-day governance can take place, which of course exacerbates the security and other problems.

Can you tell us anything about that in terms of any current information about this recent news about the council? And anything you can tell us that's an update on the President, what his intentions are, what we believe his intentions are?

Just the kind of basic day-to-day who's in charge and kind of fundamental governance questions.

Ambassador SANDERSON. Well, thank you, Mr. Chairman. Let me try, if I can.

You've covered a wide, wide group of topics, and I think they do point to the enormous challenges that the Yemenis face not only today, but also in the longer term.

With regard to the President, as I stated in my testimony, he is indeed still in Saudi Arabia recovering. We have seen reports from people close to him that he's interested in returning to Sanaa. We're obviously not able to confirm that one way or another.

But obviously, whatever he does looms large in the political calculations of everyone on the ground in Yemen right now.

We strongly believe that a transition is necessary, that an orderly, peaceful transition is the only way to begin to lead Yemen out of the crisis that it has been in for the last few months.

We are strongly supportive, as I said, of the GCC initiative. We believe that this is one way within the framework of the existing Yemeni Constitution that not only leads to elections, but also allows the opposition, the public, the protesters, all to have a voice in Yemen's future. So we continue to strongly urge President Saleh to sign and implement the agreement.

In terms of the day-to-day governance of Yemen, the Acting President under the terms of the constitution, is Vice President al-Hadi. He is a southerner who has been rather retiring in the past. He appears to be willing to sort of step up to the plate and begin to make the hard decisions that a President, even an interim or Acting President of Yemen, must do. He has been meeting with the opposition; he has been meeting with members of his own party; he has been meeting with protesters; and he has been meeting with the military to try and come to some type of agreement to continue and indeed enhance the political dialogue that's going to be so important for Yemen.

And obviously, what the endgame looks like in terms of who will lead Yemen into the future, that's still very much up in the air. We do hope, at the end of these consultations, we hope that the President will sign the GCC agreement. We hope that, therefore, that would allow a national unity government to come forward and, again, move toward elections, as I said, within a period of 60 days.

We've seen these reports that say that some of the protesters have established a national council. Frankly, we don't have a lot of information about it yet. There's no provision for such a council within the terms of the constitution.

Our understanding from Ambassador Feierstein and others is there were people who were named to the council who were caught unawares and did not expect to be so named. It seems to us that at this point this council does not have a lot of traction, but the political environment in Sanaa remains quite fluid. So I think we'll have to see how it plays out.

I get back to my original point. We believe that political dialogue is essential to unravel this set of knots that the Yemeni political process finds itself in. We believe that Saleh's role in that is going to be critical, but we also think that an open political dialogue between the parties, the opposition, the protesters, the youth, and certainly civil society, is going to be very important for the future.

Senator CASEY. I wanted to ask you before I turn to Senator Risch, as you could note from my opening, I believe we should be sending a very clear message to the people of Yemen that we're focused on their concerns as well.

And sometimes, as it happens, sometimes just by implication or maybe by emphasis, we focus appropriately on counterterrorism, but sometimes that can, in some ways, downgrade or deemphasize our focus on the people.

I guess I'd ask, on behalf of the administration, what would you say, if you had a room full of citizens of Yemen here, what would you say to them in terms of our focus and our message to them, beyond the common focus that we have on al-Qaeda and other extremists?

Ambassador SANDERSON. Well, I think, sir, that's an excellent question. And I do want to stress the fact that we see our partnership with Yemen far beyond the prism of counterterrorism cooperation. Obviously, that's important. But we have broad relations in terms of our assistance relationship, our public diplomacy outreach, and our support for civil society.

We are working very closely with the Yemeni people on priorities that are important to them. They face, as you noted, enormous economic challenges that frankly are driving the country, I'm afraid, into immediate crisis. But we understand that our relationship is simply not a security or a military relationship, that it has to be broader, fuller, and it must bring to bear all the resources of the U.S. Government, so we can support Yemen as they go through what is going to be an extraordinarily difficult transition for them.

Senator CASEY. And I'll turn to Senator Risch. I might ask you a little bit later about the kind of results that our taxpayers can see, and by way of measuring.

Senator Risch.

Senator RISCH. Well, can you describe for us the situation down in the southwest, where the militants seem to be in charge, and al-Qaeda's influence in that regard?

Ambassador SANDERSON. Senator, what we have seen as a result of this focus by the government on the security situation, the political unrest in the large cities, is a growing space in which extremists have been able to operate.

There are reports that Islamic militants, among them included some members of al-Qaeda, have gone in and taken control of the city of Zinjibar. There are reports that a couple smaller cities in that area have also been taken over by militants. We do know that

the 25th Mechanized Division in the Zinjibar garrison is under siege and has not been relieved, although the government is trying to find a way to do that in the very near future.

It speaks to our concern about control of the central authority over various parts of the country. Even the Vice President himself has admitted that the government does not have control in 5 of the 21 governorates.

What we are concerned about, obviously, is with this focus on the political malaise, with this focus on the political unrest, that the very real threat to Yemen, to us, to the people of the region, from al-Qaeda and from extremists, is going unaddressed. It's one of the reasons why we continue to urge President Saleh and the various players to come to some type of agreement to get the political dialogue started and get a solution under way.

But, yes, we are quite concerned about the situation in the southwest.

Senator RISCH. Ambassador Benjamin, do you have anything to add to that?

Ambassador BENJAMIN. Senator, it is of course a matter of great concern that al-Qaeda in the Arabian Peninsula sees this opportunity to establish a territorial hold on this area in Zinjibar and Jaar. It is something that we are watching with great concern.

We are worried, obviously, when they have a safer haven in which to operate. We are worried that they threaten the city of Aden to some extent, and that, of course, if they are able to get access to the sea, that presents other concerns.

And, really, I just want to echo what Ambassador Sanderson said. It is vitally important that the transition take place and that the security forces in Yemen get back to business, that we be able to resume the full range of training activities that we have with them so that they can deal with this issue.

And undergoverned spaces are not new to Yemen. This has been a problem for not just years but decades.

But the situation is quite worrisome. And that is really why it's so important that the political stalemate be broken.

Senator RISCH. One of the reasons I ask this is you mentioned the money that the United States was spending in arming and training the security forces. And we have learned the hard way that sometimes the people that we are arming and training become our adversaries in the future. I don't need to go into specific examples of that. We all know.

Is that a concern here?

Ambassador BENJAMIN. I don't think it's really a paramount concern right now. The militants who are active in the south are not people that we have armed or trained before in any way. And we don't expect that there would be many individuals who would defect from the armed forces and join with this group of militants.

What we are occasionally concerned about is that the weaponry and the training that we give particular forces are used for the reason that they were given. And we maintain a very scrupulous end-use monitoring. Obviously, our monitoring is somewhat affected by the fact that the situation, the security situation, is not what we would like, and, therefore, our ability to investigate is limited.

But I don't think that we have to worry right now about Yemen tilting the other way.

And I would just want to underscore another part of my statement, which is that we do believe that there is a strong desire on the part of Yemenis across most of the political spectrum to cooperate with us and deal with the terrorist threat within Yemen's borders. And the soundings that the Embassy has taken in the opposition, for example, have been quite clear about that.

And our counterterrorism cooperation really is not just about one person, one particular leadership group. It is very much about helping the people of Yemen deal with this pernicious presence within the Yemeni state.

Senator RISCH. Well, I appreciate that. And that was the reason I asked the question, is, if you look at that, it certainly seems to me, at least, that there is some risk that this blossoms out and envelops the whole country, where they're as weak as they are, where the government is as weak as it is, and the people really ineffective in being able to govern themselves. And your words are comforting. I hope that's the situation and continues to be the situation.

Thank you.

Senator CASEY. Thank you, Senator Risch.

Senator COONS.

Senator COONS. I want to thank Senator Casey for holding this critically important hearing on United States policy in Yemen.

And I am deeply concerned, as are other members of the committee, about Yemen, given the presence of al-Qaeda in the Arabian Peninsula and recent political upheaval and other sources of instability the panel has ably described.

In our recent hearings as a full committee on Afghanistan, I made the case that, in my view, the United States has to maintain the resources and flexibility needed to respond to other emerging security threats such as those in Iran and Somalia and specifically Yemen. And I'm increasingly concerned that our commitment in Afghanistan has limited the resources available for addressing such threats.

And I wanted to start by asking Ambassador Sanderson, do you believe the United States has dedicated the resources really necessary for addressing emerging security threats and the other development-related sources of instability in Yemen?

And I'd be interested in an overview from all three of the panel members about whether you think we're providing the needed both capital and political and developmental resources to deal with the challenges in Yemen.

Ambassador SANDERSON. Well, thank you, Senator.

I have to say that there's been a significant increase, as you are aware, in our assistance both from the civilian and the military side, since 2009, to Yemen. We have, I think, a holistic approach to our policy toward Yemen, that, on one hand, we are working hard to try and address the issue of terrorism, to address the issue of extremism, to provide the training and equipment to the Yemenis so they can deal with this very important issue.

On the other hand, we understand that we have to focus on development, governance, social issues, the types of things that do create the conditions in which extremism can flourish.

So I have to say that, from our perspective in the State Department, we have the tools we need, at least at this point, to do the necessary in Yemen.

To be honest, in Yemen we are somewhat hamstrung by the absorptive capacity of the Yemenis themselves. There is not a large capacity to take on either large amounts of development assistance.

On the military side, we very much focused on the C.T. elements that are going to be partners with us in the effort against violent extremism.

But we have been, I'd like to say, very creative in the tools that we're bringing to bear on the myriad problems that Yemen faces, whether it's through the typical traditional aid programs that Christa can talk about or the Middle East Partnership Initiative, where we have a very robust program in Yemen that addresses things like political party development and civic education, as well as things like child brides.

I think that we have the tools we need to address issues on the ground. I have to, however, flag the fact that when there is this transition, this political transition, the needs of the Yemeni people, I think, are going to become much greater. And the international community, of which the United States is, obviously, a leading player, is going to have to step up and help the Yemenis in this new political environment move forward.

Senator COONS. Thank you, Ambassador.

Ms. CAPOZZOLA. Thank you.

To reiterate what my colleague has said, our resources were stepped up last year, in fiscal year 2010, quite significantly. In terms of development and humanitarian assistance, they more than doubled compared to fiscal year 2009.

So we're really stepping up our game and using, as was said, a variety of creative mechanisms to extend our reach throughout the country, get into more communities in more areas, do more community-level investments, the kinds of things we can do in this environment, where we may not have the type of partnership we need at the central level to tackle some of the fundamental development challenges, for example, water. So we're doing a lot of local-level water with these increased resources and, I think, sending a very strong message to the Yemeni people about United States support for their situation.

On the other hand, we can't address the longer term water challenges that Yemen faces right now until attention can be turned to that in the center on key policies and engagement with the broader international community to bring the kind of investment together that will tackle those sorts of challenges.

Senator COONS. Thank you.

And, Ambassador Benjamin, if I might add to the question of whether we've got sufficient resources to deal with security issues, we've partnered with the Saudis to some extent. We've diverged with them, to some extent, in terms of our policy and our approach.

I'd be interested in hearing your comment on both.

Ambassador BENJAMIN. First, on the resources, let me just elaborate on what's been said before and say that the primary constraint on making progress in Yemen right now is not the numbers. It's the political situation that inhibits our ability to spend effectively.

And just to give you one indicative set of numbers, our 1206 funding went from \$4.3 million in 2006 to \$153 million in 2010. That's an extraordinary leap. Yet we are unable to spend 1206 money this year because of the political insecurity.

So I think we have the right mix of resources, and I should also add that from a counterterrorism perspective, I'm particularly pleased at the strong commitment that the administration has to invest on the development side and governance side, because that's vitally important for dealing with the fundamental underlying causes that drive extremism.

The real issue will be when we can get back to work there.

You asked about the relationship with Saudi Arabia. We consult with the Saudis every step of the way. They, obviously, are the most influential power in the region and Yemen's neighbor to the north. I think that we have, actually, a very clear understanding of the requirements there. They share our desire to see resolution of the political situation and to get on with helping Yemenis solve their security problem and deal with the very, very formidable long-term economic development and governance problems that they face.

Senator COONS. Thank you, Ambassador.

Thank you, Senator.

Senator CASEY. Thanks, Senator Coons.

I wanted to start this round with Ms. Capozzola with regard to not just the dollar amounts and what it's being spent for, but what results you're seeing. And I can't even begin to describe, maybe you could, if you had a lot of time, the challenges you face. And USAID is always facing difficult environments, but this has to be one of the most difficult, where you have not just a tremendous need, but with the rise in violence and other complicating factors, it's harder to deliver on what we propose or promise or fund.

But I was just going through your testimony and just kind of highlighting some of the things you've mentioned as progress, either progress or just initiatives. I'm looking at page 2 of your testimony, where you describe some of the challenges in the number of internally displaced persons, 50,000 to 60,000, and the help you're providing there—clean water, emergency relief, humanitarian programs. You highlight health care services, agricultural inputs.

And then on page 3 you actually list, in a more specific way, some of the work that's being done—seven water projects, water and sanitation for 15,900 beneficiaries in five northern districts, rehabilitation of roads, mobile medical teams, 1,500 midwives, you go down the list.

I'm going to ask you two questions. What's the best way to articulate results from all of that effort, say, over the last year or two? No. 1, what's the best way to articulate the results?

And then No. 2, can you provide us with any vignettes or examples or testimony that would make the linkage between poverty and economic devastation or desperation, maybe, that you're seeing

leading directly to extremism or terrorist activity, or at least the inspiration for that? Because we say that in a way where we, I guess, believe it's self-evident, that if someone is poor and desperate and hungry, they may turn to extremism. But I wanted to ask you, because you may be seeing things on the ground that are more evident or are more powerful of an example of how those conditions lead to extremism.

But, first, the question on kind of results for our dollars and our taxpayers.

Ms. CAPOZZOLA. Thank you for the excellent question, Senator.

I think that really is a key question. We talk about our objectives in terms of mitigating the causes of instability. We have a very broad portfolio with a lot of activities around the country. And what is it all adding up to in terms of impact? This is the key question.

At the first level, I think USAID's activities are fully engaging with Yemeni people. And to your earlier question about the message that we're sending, I think that it's on the first level very important to look at the outputs and the engagement of our work in terms of the number of youths that we reach and provide training services and development activities to, the number of women who get improved access to health care.

But those are outputs and, to be honest, in my view, the ultimate outcome, which is laying a more solid foundation for Yemen's development, we aren't there yet to be able to really evaluate in this current environment what that impact is.

But that really is the ultimate indicator. Will we be in a position in the near future for the Yemeni people to move forward on some of the fundamental development challenges: jobs, water, services and, you know, constructive engagement between government and citizenry that will move the country forward and beyond the cycle of conflict and instability?

We have a lot of anecdotal examples of the way projects at the community level mitigate conflict. So, for example, in a few different areas in the north, there's a lot of conflict between tribes that is created by access to water for farming. And programs that have been just doing simple repairs to irrigation canals that have been neglected for many years are having a documented impact on these communities and how they are able to prevent and work out conflicts over water access.

So we see a lot of examples like that at the local level. And, again, our ultimate goal is to see that add up to a bigger impact for the country as a whole.

Senator CASEY. We can get to the second question in a moment. But I want to press you a little bit on the first part, or the first question.

We're living in an environment here, fiscally and in terms of our budget, where I think taxpayers need to see results. Especially they don't expect results in 2 months, but I think over a year, and in some cases 2 years, when you can make that comparison to say—I mean, some of what you have here are results.

When you say there are 1,500 midwives who were trained, that's a result. We know you can extrapolate from that the number of

pregnant women that will be helped, or at least get a good estimate.

When you say improved access to water and sanitation for 15,900 beneficiaries, that's a result you can measure.

But I think in order for this to work, in order for us to sustain support for strategies that are going to have these kinds of positive outcomes, we've got to be able to list, itemize, measure. And I know that's difficult, but I'd urge you to try to continue to provide those kinds of lists.

I know I'm almost out of time for this section. Let me just add a little more time to my question period.

This linkage or the perceived linkage between poverty and desperation and extremism, can you give us any insight into that or any evidence?

Ms. CAPOZZOLA. Well, I think it's been documented in a number of analyses that there's a very strong link between economic opportunity and attraction to extremism in a number of different settings. I don't have an assessment at this time of our Yemen youth activities to be able to say, "Here, look at the analysis." I will look into it and see if I can find a specific, project-level, community-level story for you, because I think it's a great question.

And the work that we're doing with just this summer reaching over 14,000 youth around the country is extremely important. The work that we're doing in—there are at least four different new vocational training centers that are providing small business and entrepreneurial skills to youth.

We are also in the civil society side of the portfolio engaging to support emerging youth leaders. And I think this is very important in working closely with the Embassy on those activities.

As you said, there are a lot of outputs and interim results that we can point to about the types of good impacts we're having on people's lives. And we'll continue to make that presentation as strongly as we can.

Senator CASEY. I'll come back to Ambassador Benjamin in a moment.

But, Senator Risch.

Senator RISCH. Briefly, as we do need to get to the next panel, but Ms. Capozzola, something that's of interest to me and I suspect of interest to a lot of other Senators up here is, can you give us your assessment of how Americans are held in regard in Yemen?

And I ask that question because a lot of us are relatively concerned, and I guess offended to a degree, as to how poorly we're held in repute in Pakistan.

You know, we went in there and spent hundreds of millions of dollars rebuilding their bridges after the floods in Swat Valley, and we put in billions of dollars there every year. And they have objective measurements that show that the favorability of America is in the single digits in Pakistan.

And, frankly, that's pretty disgusting when you're spending that kind of money there, and you're trying to help people, and you get no appreciation for it. And I understand there's no objective standard in Yemen because it's more difficult—it would probably be impossible, really, to measure on an objective basis.

But maybe from anecdotal testimony or from some subjective standpoint, can you give me your description of how we're held?

Ms. CAPOZZOLA. Thank you, Senator, for that question.

In general, USAID's experience is that the perception of Americans and our aid is positive. And I guess the way that I can help illustrate that most poignantly is that we brand our assistance in most cases throughout the country. So it's tagged. It's clear who it's coming from.

So this is important in terms of the messaging, again, Senator Casey.

But it also means that we are able to operate—our partners, many USAID partners, are able to operate openly as funded by the American people. And this is well-received and is done, you know, for the most part, safely throughout the country.

Senator RISCH. What would be just a gut feeling if they did some objective standard or did an objective survey? What percent of the people of the country do you think would respond that they were favorable or at least neutral as far as the United States is concerned?

Ms. CAPOZZOLA. I really can't speculate. I may also turn to my colleague from State to see if there have been any surveys done.

I am not familiar with data on perceptions. It may have been done.

But is there a recent experience you can point to either?

Ambassador SANDERSON. Senator, I've seen some of the Pew reports and others that have done some surveys in the region, but I'm not aware that there's anything on Yemen specifically.

I can only share, as does Christa, some anecdotal evidence in terms of our Embassy outreach.

Until the most recent security problems, the Embassy was really moving outside of Sanaa to make sure that there was a sense among the Yemenis that it was more than just a focus on the capital, which is sometimes one of the things that we are accused of, no matter where we are.

The reception that the Ambassador and Embassy colleagues have received throughout the country has been extremely good.

In terms of specific information, we can look into that and see if there have been some more recent polls, but I don't have anything to share with you.

Senator RISCH. Thank you very much.

Thank you, Mr. Chair.

Senator CASEY. Just a couple of followups.

Ambassador Benjamin, did you have anything you wanted to add on the question of that linkage between poverty or desperation and extremism?

Ambassador BENJAMIN. I would like to address that.

I should also say to Senator Risch that we know from pockets of polling that the United States is much more popular in Yemen than it is in Pakistan. I'm sure there's more data out there we can get you.

I will tell you that last year, the National Defense University hosted a large group of Yemeni officials from the government and from civil society. I met with them two or three times. Many other officials met with them. The desire to engage with the United

States is very, very powerful. There is a deep desire to work together to deal with Yemen's problems.

So I think that we have strong partners there who, once they are enabled by the political situation, will want to collaborate with us, cooperate with us, to address some of Yemen's pressing challenges.

Senator Casey, on the issue of poverty and radicalism, I think it's important to underscore that the research indicates that there is not a direct link between poverty and radicalization.

Poverty is often used by those who incite others to become radical in an instrumental fashion to illustrate that their position in the world is poor, and it is poor because they're being oppressed by others, and, therefore, they should become more radical. I think that our findings that are particularly relevant to Yemen—and, by the way, just to step back for a second, if you look across the range of key terrorist operatives, ones who have been, you know, wrapped up, arrested, disrupted over the years, there are an awful lot of people who have never known real poverty, but who, in fact, because they enjoyed some comfort in life, had the leisure to develop radical ideas, if you will.

Nonetheless, it's very important to go at the fundamental socio-economic problems as well, because one of the key drivers of radicalization is poor governance and the failure of governments to provide fundamental social goods, such as services. And this is something that comes out in conversation again and again with Yemenis, their frustration that they don't have adequate education for their children, that they don't have water, sanitation, any number of different kinds of those things that we take for granted and we consider to be fundamentals of modern life.

And so that's why the development aspect of our policy is so important, not just to lift people out of poverty, which is an important goal in its own right, but also because their sense that they are partaking of the modern economy, the modern world, that they're on an equal footing with others, is vitally important. And corruption and poor governance are key drivers—key drivers—of radicalization.

Senator CASEY. I know we're just about out of time.

Let me just highlight one part of your testimony and ask you one quick question.

On page 2, Ambassador Benjamin, you say that—and I'm glad you have this in your testimony, by the way—"The United States has strongly urged and publicly called for the Yemeni Government to investigate and prosecute all acts of violence against protesters."

You don't have to comment on that. I'm just commending you for putting that in there. It's important we do that.

But the point that you make, there's so many you could make about the security situation. We don't have nearly enough time, but you say on page 3, "Our counterterrorism strategy focuses on building the capabilities of Yemen's security forces to counter al-Qaeda, AQAP, effectively."

And I know you've addressed this already, to a certain extent, but what can you tell us about that? Because, look, when our taxpayers see our efforts and our dollars, they want to—when I asked about results earlier on other fronts, they want to be able to say

that we're getting results here and that the Yemeni security forces can do this on their own at some point.

What kind of progress report or what kind of indication can you give us about how we're doing on that score?

Ambassador BENJAMIN. Senator, the view from the administration, particularly from DOD, which is doing, of course, the lion's share of the training, although State Department, through antiterrorism training, is doing a good deal as well, is that the Yemenis are improving their capacities; that they are making good progress toward being able to deal with the threats within their border.

But it is important to recognize that our engagement in Yemen was interrupted for many years. Yemen did not have the kind of mentoring programs, the kind of training programs, that many of our other counterterrorism partners had. It was really when the Obama administration came into office that a review was done in March, the beginning of March 2009. It was recognized that Yemen was a major challenge in the world of counterterrorism.

And it was not until December, after many conversations with the Yemenis, that we really felt that they were on board with the project and in fact took their first actions against AQAP. This, as you may recall, was just shortly before the attempted December 25 bombing of the Northwest flight.

So this is a military and a set of Ministry of Interior that is civilian units that are making good progress, but obviously, have a lot to learn.

So again, vitally important that we get back to the work of training these units, so that they can take on the missions they need to.

Senator CASEY. Well, thank you very much.

I know we're out of time, and I'm sure members will have questions for the record that you can answer in that way.

We wish we had more time, but we're grateful for the testimony and for your work, the public service work, that each of you do, and we'll move to our second panel.

Thank you very much.

As we are transitioning, I will indicate that our second panel has two individuals testifying. First of all, Dr. Christopher Boucek, the Middle East research associate at the Carnegie Endowment for International Peace; and also, we have Mr. Daniel Green, Soref Fellow at the Washington Institute on Near East Policy, who will testify.

We'll ask each of our witnesses to provide an opening statement. As you noticed, the first panel stayed well within their time limits, which we try to be roughly within the 5-minute timeframe, as is true of the first panel.

I'm not sure I said this for the record, but their full testimony will be made part of the record, as will each of our two panelists on this second panel. So your full testimony will be made part of the record.

And if you could provide about a 5-minute summary, then we'll have a period of questions.

And, Mr. Green, we can start with you. Thank you for being here.

STATEMENT OF DANIEL R. GREEN, SOREF FELLOW, WASHINGTON INSTITUTE ON NEAR EAST POLICY, WASHINGTON, DC

Mr. GREEN. Chairman Casey, Ranking Member Risch, and members of the committee, thank you for allowing me to speak with you today about the challenges our country faces in Yemen.

Since the outbreak of protests earlier this year against the continued rule of Yemen's President Ali Abdullah Saleh, there's been a significant increase in activity of al-Qaeda's affiliate in Yemen, al-Qaeda in the Arabian Peninsula.

Much of this has to do with the fact that the Yemeni security personnel are preoccupied with either regime survival or regime change in Sanaa or protecting protesters. Most notably, the U.S.-trained Republican Guard has been battling members of the Hashid tribal confederation in Sanaa and not focusing on counterterrorism missions.

There have also been reports that President Saleh has deliberately removed his security personnel from certain areas of the country to precipitate a security crisis in an attempt to prompt the United States to support him as the only solutions to the problem of al-Qaeda.

The security situation in Yemen's countryside where al-Qaeda is principally located is deteriorating rapidly. Over the last 4 months, AQAP's low-level activities of killings, targeted assassinations, thefts, and kidnappings have expanded and become more sophisticated. On March 27, as you well know, alleged AQAP members seized a munitions factory in the town of Jaar in Abyan province. This was followed by a May 29 operation where more than 200 alleged AQAP members overran the town of Zanjibar, the capital of Abyan in southern Yemen, which is just east of the major city of Aden.

AQAP's siege of Zanjibar is ongoing and the Yemeni military is attempting to retake the city with the assistance of local tribesmen.

On June 22, several dozen alleged al-Qaeda prisoners escaped from a prison in the port city of Al-Mukalla. These and other incidents have contributed to a general sense of lawlessness in the countryside, enhancing AQAP's ability to mount additional attacks against the U.S. homeland and our interests.

Although conflicts in the capital will affect Yemen's future course as a nation, efforts to control the provinces more directly affect United States national security interests. The key battle with AQAP is in the countryside and the U.S. Government needs to pay more attention to this problem and craft a suitable strategy to address it.

As part of this effort, the Washington Institute for Near East Policy is conducting a series of studies on the key provinces within which al-Qaeda is located. Much like the organization of AQAP, the U.S. approach must be decentralized, locally based, long-term, and holistic, blending military and civil approaches.

Saleh has traditionally been the greatest impediment to an expanded U.S. presence in the countryside. With the President con-valescencing in Saudi Arabia and Yemen's political factions in a stalemate, now is the time to consider offering Saleh an expanded aid package to help the government stabilize the provinces.

We should adopt a forward strategy consisting of four main components. In many respects, these are more about how we are organized in Yemen rather than how many resources we are devoting to the problem.

First, the United States needs a robust foreign internal defense program. Washington should consider an expanded training initiative for Yemen's security services, concentrating on both its counterterrorism units and its conventional forces. United States trainers should embed with Yemeni units deployed to the provinces. The government forces would then benefit directly from U.S. training and equipment as they confront AQAP in the countryside. Additionally, Washington's understanding of provincial dynamics would improve considerably.

Second, the United States needs to establish a foreign internal governance strategy to complement a foreign internal defense strategy. With the security initiative underway, the United States should evaluate the practical aspects of decentralizing its governance and development programs moving some of them from the capital to the countryside in partnership with provincial governors or other officials, including possibly tribal leaders. This might be facilitated by having a consulate presence in central or eastern Yemen, although I realize that's a significant political gesture.

The decentralized approach would bolster local governance and mitigate some of the underlying grievances that AQAP exploits to increase its support.

Third, the United States needs to leverage the human terrain more effectively to defeat al-Qaeda. The United States should consider a dedicated effort to map Yemen's human terrain and gain a better understanding of local communities.

Additionally, the State Department, the United States Agency for International Development, and the United States military should extend the tours of select personnel serving in Yemen in order to facilitate a deeper understanding of the local situation. Within this framework, the United States should develop a Yemen Hands initiative similar to the Afghan Hands initiative, wherein United States personnel work in the country for a number of years. These approaches would even help the continuity problems that result from constant personnel rotations.

And then, finally, the United States should consider appointing a special envoy to supplement the work of our United States Ambassador in Yemen and assist him in regional diplomacy efforts to promote stability in Yemen and to ensure that the issue of AQAP continues to receive the attention it requires. This person would provide a needed alternative to an overwhelming counterterrorism narrative that has often prompted Yemenis to be skeptical of United States intentions. The envoy can also address the growing relationship between AQAP and Islamist militants in Somalia and work to craft a strategy to confront both.

Thank you, and I look forward to answer any questions you may have.

[The prepared statement of Mr. Green follows:]

PREPARED STATEMENT OF DANIEL R. GREEN

Chairman Casey, Ranking Member Risch, and members of the committee, thank you for allowing me to speak with you today about the challenges our country faces in Yemen.

Since the outbreak of protests earlier this year against the continued rule of Yemen's President Ali Abdullah Saleh, there has been a significant increase in activity of al-Qaeda's affiliate in Yemen, Al-Qaeda in the Arabian Peninsula (AQAP). Much of this has to do with the fact that Yemeni security personnel are preoccupied with regime survival or regime change in Sana'a or with protecting protesters. Most notably, the U.S.-trained Republican Guard has been battling members of the Hashid Tribal Confederation in Sana'a and not focusing on counterterrorism missions. There have also been reports that President Saleh has deliberately removed his security personnel from certain areas of the country to precipitate a security crisis in an attempt to prompt the United States to support him as the only solution to the problem of al-Qaeda.

The security situation in Yemen's countryside, where al-Qaeda is principally located, is deteriorating rapidly. Over the last 4 months, AQAP's low-level activities of killings, targeted assassinations, thefts, and kidnappings have expanded and become more sophisticated. On March 27, for example, alleged AQAP members seized a munitions factory in the town of Jaar in Abyan province. This was followed by a May 29 operation where more than 200 alleged AQAP members overran the town of Zinjibar, the capital of Abyan in southern Yemen, which is just east of the major city of Aden. AQAP's siege of Zinjibar is ongoing and the Yemeni military is attempting to retake the city with the assistance of local tribesmen. On June 22, several dozen alleged al-Qaeda prisoners escaped from a prison in the port city of Al-Mukalla. These and other incidents have contributed to a general sense of lawlessness in the countryside, enhancing AQAP's ability to mount additional attacks against the U.S. homeland and our interests.

Although conflicts in the capital will affect Yemen's future course as a nation, efforts to control the provinces more directly affect U.S. national security interests. The key battle with AQAP is in the countryside, and the U.S. Government needs to pay more attention to this problem and craft a suitable strategy to address it. To address this issue, the Washington Institute for Near East Policy is conducting a series of studies on the key provinces within which al-Qaeda is located.

Much like the organization of AQAP, the U.S. approach must be decentralized, locally based, long-term, and holistic, blending military and civil approaches. Saleh has typically been the greatest impediment to an expanded U.S. presence in the countryside. With the President convalescing in Saudi Arabia and Yemen's political factions in a stalemate, now is the time to consider offering Sana'a an expanded aid package to help the government stabilize the provinces. We should adopt a forward strategy, consisting of four main components. In many respects, these are more about how we are organized in Yemen rather than how many resources we are devoting to the problem.

First, the United States needs a robust Foreign Internal Defense program. Washington should propose an expanded training initiative for Yemen's security services, concentrating on both its counterterrorism units and conventional forces. U.S. trainers should embed with Yemeni units deployed to the provinces. Government forces would then benefit directly from U.S. training and equipment as they confront AQAP in the countryside. Additionally, Washington's understanding of provincial dynamics would improve.

Second, the United States needs to establish a Foreign Internal Governance strategy. With the security initiative underway, the United States should evaluate the practical aspects of decentralizing its governance and development programs, moving some of them from the capital to the countryside in partnership with provincial governors or other officials, including possibly tribal leaders. This might be facilitated by having a consulate presence in central or eastern Yemen. The decentralized approach would bolster local governance and mitigate some of the underlying grievances that AQAP exploits to increase its support.

Third, the United States needs to leverage the human terrain more effectively to defeat al-Qaeda. The United States should consider a dedicated effort to map Yemen's human terrain and gain a better understanding of local communities. Additionally, the State Department, the United States Agency for International Development, and the U.S. military should extend the tours of select personnel serving in Yemen in order to facilitate a deeper understanding of the local situation. Within this framework, the United States should develop a "Yemen Hands" initiative similar to the "Afghan Hands" program, wherein U.S. personnel work in the country for

a number of years. These approaches would even out the continuity problems that result from constant personnel rotations.

Finally, the United States should appoint a Special Envoy to supplement the work of our Ambassador in Yemen and assist him in regional diplomacy efforts to promote stability in Yemen and to ensure that the issue of AQAP continues to receive the attention it requires. This person would provide a needed alternative to an overwhelming counterterrorism narrative that has often prompted Yemenis to be skeptical of U.S. intentions. The envoy can also address the growing relationship between AQAP and Islamist militants in Somalia and work to craft a strategy to confront both.

Although any U.S. strategy for Yemen will be difficult to implement, it will be harder if there is a limited understanding of the country outside the major cities. It is only through a better understanding of local dynamics and the ability to influence them that U.S. policymakers will be able to make the crucial decisions needed to defeat al-Qaeda in the Arabian Peninsula.

Thank you and I look forward to answering any questions you may have.

Senator CASEY. Thanks, Mr. Green.

Dr. Boucek.

STATEMENT OF DR. CHRISTOPHER BOUCEK, ASSOCIATE, CARNEGIE MIDDLE EAST PROGRAM, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, WASHINGTON, DC

Dr. BOUCEK. Thank you very much.

Chairman Casey, Ranking Member Risch, members of the subcommittee, I'd like to thank the subcommittee again for the opportunity to be here today to discuss what is truly a very critical issue for the United States, policy toward Yemen.

And I'd like to start off by saying that I think it's important that we keep in mind that there's very much that we do not know about what's going on in Yemen right now. It's incredibly difficult to get accurate information about what's happening. It's more and more difficult to travel throughout most parts of the country. And it's a very fluid and changing situation, as was noted in the first panel.

I think it's also important to note that the initial fears of violence, mass violence, how bad things could really go, have not come to pass. There have certainly been some episodes of very severe violence, but it has not devolved into the civil war that I think many people were talking about 5, 6 months ago.

That said, it still can go very wrong very quickly. I think this goes to the importance of why we're here today to speak about Yemen.

Yemen's problems are very well-known. They were gone over at length in the first panel. But I think it bears keeping in mind that the failing economy is really at the heart, I would argue, of everything that's going wrong in the country.

We have a situation of rampant poverty—really, truly grinding poverty—rampant corruption, unemployment that's officially at 35 percent, which would put it on par with the Great Depression in this country. In actuality, it's probably much higher than that. A whole host of governance deficiencies and abuses, resource depletion, and nearly one of the highest population growth rates anywhere in the world.

All that said, I think it's very challenging when we're talking about United States policy, because everyone knows what we want to avoid in Yemen—state failure or state collapse—but no one can really tell you what that looks like or how that might happen.

So I think for policymakers, it's especially difficult trying to come up with the prescriptive measures to address what you can't imagine and you can't think through what the causes may be.

There are no easy options in Yemen. There are no easy policy solutions. If there were, I think we would have come up with them by now.

And I think it's especially important that we look at Yemen with a healthy dose of realism about what we can accomplish and what we can't. Ultimately, at the end of the day, the United States has very little leverage with which to influence events in Yemen. However, what we can do is help to alleviate how bad things will be.

And I think it's by making progress against the whole spectrum of Yemen's challenges that we can give the Yemeni Government more space to breathe and deal with these issues and alleviate the humanitarian impact of how bad this will truly be.

Much of American policy toward Yemen has been focused on counterterrorism. And despite, I think, all of the efforts of our Government and what we heard in the first panel, I think the perception in Yemen is still that counterterrorism and al-Qaeda is what the United States cares about.

And while there's certainly a need for a robust counterterrorism program, there are also a number of other things that we can look at and we probably should look at. And I would say that corruption and access to water are two of the most important issues that we can focus on.

These are issues that affect every Yemeni. There are things that we can do to improve the situation, because security and stability will come when the situation and conditions in Yemen improve, full stop, for everyone in Yemen.

We need to make sure that our policy is geared toward addressing the public of Yemen, not the government. I think that's an important message that we need to maintain.

And we need to make sure that we continue to focus our aid and assistance programs not only on areas where we're concerned about al-Qaeda or radicalization, because, again, that sends the message that this is the only reason why we're interested in Yemen.

And I think in my testimony I go through a number of points, but I'd just like to spend the few minutes that I have left talking about two issues: the economy and Saudi Arabia. And I really think that after this political crisis ends, one way or another, the economy will dwarf this current problem.

The problems facing the Yemeni economy are overwhelming. If Yemen is not yet a failed economy, it's probably on its way to being one extremely soon. Food prices, fuel prices, cooking gas fuel have all skyrocketed, and this is in the country with the most vulnerable population in the region, the poorest country in the region.

On Saudi policy, I think it's important to stress that there is not one Saudi policy toward Yemen; there's not one Saudi policy on just about anything. I think the Saudis are trying to figure all of this out right now, just as many others are. But security and stability is the key issue that the Saudis are concerned about.

And with that, I look forward to your questions, and thank you again for the opportunity to be here.

[The prepared statement of Dr. Boucek follows:]

PREPARED STATEMENT OF DR. CHRISTOPHER BOUCEK

Mr. Chairman, Mr. Ranking Member, distinguished members of the subcommittee, thank you for inviting me here to discuss U.S. policy toward Yemen.

Yemen presents a complex challenge for U.S. foreign policy. Successive American administrations have grappled with implementing an integrated policy toward Yemen. There is near unanimity on what the United States and its allies want to avoid in Yemen: the collapse of the state and greater operational space for al-Qaeda to plan and launch attacks against the United States, and its interests, friends, and allies. A key obstacle, however, is that no one can really articulate what a "failed" Yemen looks like, much less the triggers that might lead to state failure. It has therefore been extremely difficult for policymakers to design a policy when they do not know what they want to avoid and do not know how it might happen.

In large part, U.S. policy toward Yemen has focused almost exclusively on the issues of terrorism, counterterrorism, and al-Qaeda. To be sure, terrorism and security are major issues with regards to Yemen; however, the United States should not allow these issues to dominate the relationship. Terrorism and al-Qaeda may be the current issues of most concern to Washington, but they are not the greatest threats to Yemeni stability.

In order to improve security and stability in Yemen, U.S. policy should be focused on addressing the systemic sources of instability in the country. These include a collapsing economy, rampant corruption, widespread unemployment, rapid resource depletion, and a series of political and socioeconomic challenges that have manifested as security challenges to the current government. A policy centered on counterterrorism to the near exclusion of other issues will ultimately prove counterproductive. While initial gains may be seen, they may be short lived. Improving American and allied security will come when conditions in Yemen improve.

YEMEN'S NUMEROUS CHALLENGES

Yemen is facing an unprecedented confluence of crises, the combination of which threatens to overwhelm the beleaguered Yemeni Government. The country's problems include international terrorism, violent extremism, religious and tribal conflict, separatism, and transnational smuggling. Attempts to build effective national governance are frustrated by porous borders, a heavily armed population, and a historical absence of much central government control. More than 3 million barrels of oil pass the country's coast every day, through treacherous waters where Islamist terrorists and Somali pirates have staged several successful maritime attacks, threatening to disrupt international commerce and the flow of vital hydrocarbons. These challenges not only endanger Yemen's stability and regional security, but they also threaten American foreign policy and national security interests.

Interrelated economic, demographic, and domestic security challenges are converging to threaten the stability of Yemen. At the heart of the country's problems is a looming economic collapse. Yemen's oil reserves are fast running out, with few viable options for a sustainable post-oil economy. Yemen is the poorest country in the Arab world, with most people surviving on less than \$2 per day and, in many places, just \$1 per day. Its population growth rate, which exceeds 3 percent per year, is among the world's highest. The government has been unable to provide adequate educational or other public services for the rapidly expanding population, more than two-thirds of which is under the age of 24, and illiteracy stands at over 50 percent in general and close to 70 percent for women. The failing economy and poorly prepared workforce have pushed unemployment to almost 40 percent. The country's dire economic circumstances will soon limit the government's ability to deliver the funds needed to hold the country together. The population is expected to double to 40 million over the next two decades, by which time Yemen will no longer be an oil producer, and its water resources will be severely diminished. This is currently the greatest source of violence in the country; an estimated 80 percent of violence in Yemen is about access to water. A rapidly expanding and increasingly poorer population places unbearable pressure on the government's ability to provide basic services. Domestic security is endangered by Islamist terrorism, magnified by a resurgent al-Qaeda organization, an armed insurrection in the North, and an active secessionist movement in the South.

Yemen's challenges are compounded by corruption, severe governance deficiencies, and an absence of central government control in much of the country, as well as by the pending transition in political leadership. While President Ali Abdullah Saleh announced in February that he would not stand for reelection, he has no obvious successor. The post-Saleh government will be severely strained by a combination of reduced revenue, diminished state capacity, and three ongoing conflicts.

YEMEN AND THE ARAB SPRING

This year has witnessed historic change sweeping the Middle East and the recent wave of unrest has not spared Yemen. Since late January, popular protests in Sana'a, Taiz, Aden, and other cities have been ongoing against the government of President Saleh. This recent protest movement has mobilized a segment of the population that had previously presented little challenge to the Yemeni Government. In an attempt to short-circuit the protest movement, the government announced a series of economic concessions. It sought to maintain the allegiance of the military and security forces by announcing pay raises and even access to free food and gas. It addressed the concerns of civil servants by putting into immediate effect salary increases for the lowest paid employees originally scheduled for October 2011. It cut the national income tax by half and reportedly increased some subsidies and introduced new price controls. The government also waved university tuition fees for currently enrolled students and announced a scheme to help new university graduates find employment. Finally, it extended social welfare assistance to an additional one-half million families.

When economic measures failed to quell the discontent, President Saleh turned to political concessions. In a speech to the Parliament and shura council on February 2, he announced that he would not stand for reelection in 2013 and that his eldest son and presumed heir, General Ahmed All Abdullah Saleh, commander of the Republican Guard, would also not run for President. He "froze" the implementation of a controversial constitutional amendment eliminating term limits on the Presidency. Saleh also stated that regional governors would now be directly elected rather than indirectly elected by local councils, a little noticed but important change. And finally, he called for the formation of a national unity government and the relaunching of the stalled national dialogue process, and postponed parliamentary elections scheduled for this April to allow time to properly prepare.

The protest/opposition movement includes several different groupings. Youth and civil society demonstrators launched the initial protests. It has been estimated that this group represents only a fraction of the total number of protesters on the streets. After the protests proved to not be short-lived, the "official" opposition—the Joint Meeting Parties (JMP) subsequently joined the demonstrations. The JMP includes the Yemeni Socialist Party, the Islamist Isiah party, and several other smaller parties. Overlaid on top of this are personal rivalries of the country's power elite, most often characterized by enmity and fighting between the Saleh and the al-Ahmar families.

The current political opposition in Yemen is not unified. They are united only inasmuch as they all want to see the Saleh government step down. As for what comes after President Saleh, there seems to be considerable disagreement.

As Yemen's political crisis drags on, conditions have severely deteriorated. For almost 2 weeks at the end of May, fierce fighting broke out in the capital between government forces and those aligned with the al-Ahmar family. On June 3, President Saleh and a number of senior government officials were gravely wounded when a bomb exploded in a Presidential mosque during Friday prayers. Saleh survived the assassination attempt, and was transported to Saudi Arabia for medical treatment where he remains today. Following the attack, a cease-fire was negotiated by Saudi Arabia. The exact nature of President Saleh's injuries is not publically known, although it is likely that he will remain in Riyadh recuperating for the foreseeable future. A number of questions surround his possible return.

AL-QAEDA IN THE ARABIAN PENINSULA

Since its creation in January 2009, the Yemen-based al-Qaeda in the Arabian Peninsula (AQAP) has eclipsed "core al-Qaeda" as a primary terrorist threat to U.S. national security. In an address at the Carnegie Endowment for International Peace last December, Assistant to the President for Homeland Security and Counterterrorism John Brennan termed AQAP "the most operationally active node of the al-Qaeda network." In testimony earlier this year, National Counterterrorism Center Director Michael Leiter referred to AQAP as the most significant risk to the U.S. homeland.

AQAP has rapidly evolved into an increasingly lethal and agile organization, with a proven track record of mounting operations within Yemen, regionally and internationally. AQAP thrives on Yemen's internal disarray. The government's inability to control territory provides the space al-Qaeda craves, using poverty and legitimate grievances against a repressive domestic regime to win support. The organization has a very fast learning curve, quickly adjusts and improvises, and is very adept at exploiting opportunities. AQAP has been clear in stating its planned objectives, and it has repeatedly delivered on its threats.

The attempted bombing of Northwest Flight 253 over Detroit on Christmas Day 2009 marked the first time since the September 11 attacks that al-Qaeda had successfully engaged a domestic American target. This attack was further noteworthy because the plot did not originate in South Asia with the al-Qaeda senior leadership—it came from Yemen. The Christmas Day attack was followed some 10 months later when AQAP again targeted U.S. aviation with the attempted delivery of explosives concealed as cargo packages mailed from Yemen.

Since the start of the protest movement, the Yemeni Government has redeployed its counterterrorism assets from going after AQAP and moved them to bolster internal security. Islamist fighters—possibly including some al-Qaeda elements—have been increasingly active in the south of the country. It must be noted that there is a broad range of Islamist actors in Yemen, and it is frequently very difficult to determine with certainty what group or movement is responsible for specific actions in much of the country. In recent weeks, the Yemeni Government has sought to take more aggressive action, and has killed a number of senior al-Qaeda operatives, including two wanted Saudi nationals (Waleed All Mishafi alMishafi Assiri, No. 83 on Saudi Arabia's 2009 list of 85 most wanted; and Ahmed Abdulaziz Jasser al-Jasser, No. 1 on Saudi Arabia's 2011 list of 47 most wanted).

As the central government's authority continues to recede, the operational space for AQAP is increasing. While the Saleh government has sought to reassert control in some areas, their ability to fully establish control is not known.

CONCLUSION

Developments in Yemen are of critical importance to the United States, and Washington has deep and enduring national interests in promoting stability and security that go beyond terrorism and al-Qaeda. A terrorism-centric U.S. policy may generate short-term gain in the struggle against violent extremism, but it also risks creating greater problems down the road.

There is no dispute that American policy toward Yemen must include a robust counterterrorism element, but this cannot be at the exclusion of all other issues. The United States and its allies can work to improve security in Yemen by focusing on issues other than direct action counterterrorism operations. Washington should also focus on other indirect measures that can help bolster security and stability in Yemen. For instances, aiding the Yemeni Government in drafting effective counterterrorism legislation will help empower law enforcement officials to charge and prosecute individuals engaged in and supporting terrorism. Judicial training programs can help promote fairer practices and improve conviction rates. There is research that demonstrates that abuse by police, intelligence, and domestic security agencies leads to future recruitment and radicalization. Efforts to professionalize these services can help reduce such effects. Improvements in prison conditions will not only help to reduce recidivism, but it will also help decrease the number of now-infamous "escapes."

Serious and sustained effort must also be focused on Yemen's many other challenges, including those outlined above. Two key issues that should receive more attention are corruption and access to water. These issues affect almost every Yemeni. Land reform is another crucial area. Support for programs to consolidate land registries and establish lawful ownership can help diffuse conflict.

The primary policy challenge with regard to Yemen is how to build the relationship between the Yemeni people and their government. This requires building the capacity of the Yemeni Government to be responsive to the needs of its people and to expand the capability of the government to deliver basic services throughout the country. This will necessitate measures to bolster the government's legitimacy as well as its ability to exercise control throughout the entire national territory. It will also likely require empowering local governments to administer their affairs in harmony with priorities mutually developed by Sana'a and the governorates, as well as sharing revenues to fund local development.

There is little disagreement that Yemen is a critical state-at-risk, beset by a daunting set of challenges. In spite of this, the United States has yet to craft and implement a unified strategic policy for Yemen. Washington must identify what it seeks to accomplish in Yemen. These goals will also need to be tempered by reality. Moreover, Washington has very little leverage with which to influence events in Yemen. We will need to be realistic about what the United States—and the international community—can accomplish in Yemen. Ultimately, many of Yemen's problems cannot be solved. Resource depletion, economic failure, and explosive population growth represent an almost insurmountable set of challenges, and these conditions cannot be completely reversed. Rather than eliminating these factors, U.S. policy can help to minimize their impact. If we work to make small improve-

ments across the spectrum of challenges, we can reduce the severity of their impact, lessen the humanitarian suffering, and bolster the Yemeni Government. This will hopefully improve U.S. security and bolster Yemeni stability.

Senator CASEY. Thanks very much.

Both panels did a good job on time. You're setting a good example.

I wanted to, not by way of a competition or a challenge between panel one and panel two, but Doctor, I wanted to ask you first, when you outlined the two among many challenges, but you highlight two that you spoke to and it's in your testimony, both corruption and access to water, when you hear USAID's testimony, when you hear the State Department's testimony, when you examine and consider other evidence on the record, how do you assess U.S. efforts on just those two, anticorruption measures and strategies to help on the question of water or other kind of basic needs?

Dr. BOUCEK. Thank you. I think the points that were made about efforts to improve irrigation canals, I think those need to be commended. But there's an awful lot more that we can and should be doing, right?

It's been estimated that 80 percent of violence in Yemen is about people fighting over water, or access to water, the land that controls water. I think it's very easy, if we're looking at TV coverage or media coverage, to think that it's all about al-Qaeda and violence, and actually it's something else.

So I think we can do more in this area, I'd say helping with rain collection, helping with programs to deliver the message about how you use water and what it has to do with security and stability. I mean, this is a huge area that we can do more about.

It's terrible to think that when it rains in the capital, there are children that die, because of drowning in a country that's running out of water. So I think we can do more to help Yemenis collect water and reintroduce traditional methods of irrigation, et cetera.

On corruption, I don't think we can do too much on any of these issues, right? I mean, we can always probably do more.

And I think these are the two issues that not only affect every Yemeni, but I think increasingly are going to be the sources of future violence and instability.

Senator CASEY. When you look at the question of those priorities that you outline, water and corruption, and you set that aside or next to the efforts we're undertaking now, both dollars and in terms of the number of initiatives or number of strategies, are we trying to do too many things? Or do you think we should concentrate more on these priorities? Or what's your sense of the way we've been both prioritizing and being successful in the results we get?

Dr. BOUCEK. My perception is that American policy is geared toward counterterrorism and al-Qaeda, No. 1, and everything else is after that. And I think we all understand what the reasons for that are.

But I don't think that we are doing enough to focus on these other issues. I think we have a very immediate, near-term look at this problem. And this is going to take years to deal with.

So I think if you look at the central problem, it seems to me, in Yemen is how do you improve the relationship between the government and the people? How do you build capacity in the Yemeni

Government to be a more responsive government, able to deliver more services? And how do you build the belief in the people to think that their government is not working against them. And that is not a fast-solving problem.

I think anyplace where you have receding state authority this is an issue, and it will be an issue going forward, not just in Yemen, but throughout large parts of the world.

Senator CASEY. Mr. Green, I wanted to ask you about—you outlined in your testimony four policy ideas. Number one—I'm shorthanding this for purposes of the question—but number one, an expanded training initiative; number two, an internal governance strategy, a more robust effort there. You also outline a mapping of Yemen's human terrain, a kind of new initiative there similar to what we're undertaking in Afghanistan. And then, fourth, the appointment of a special envoy.

When you make these recommendations, are you saying that we're not currently undertaking any of them? Or do you see some of them as an expansion of what we're doing? Or as I was saying before, more of a focused approach?

Mr. GREEN. Well, sir, I served in Iraq and Afghanistan. I served a year with the State Department in Afghanistan, served with the Navy in Afghanistan and Iraq. And you see again and again the State Department, USAID, having difficulties adjusting to the challenges of irregular warfare and a decentralized enemy.

And when I started working on Yemen, it's a very familiar situation to me, although it's not, obviously, Iraq and Afghanistan. And a lot of it's capital-centric. It is focused on working with local partners that may or may not work in the areas we're mostly concerned with. It's overly centralized. It's very focused on process and sort of the factions that are in the national capital.

And if I could tell you what the political—I can't tell you what the political opposition is in Shabwa province, where the al-Awlaki tribe is. That's the political opposition we need to be worried about, in addition to certainly that which is going on in Sanaa. But we don't have a good understanding of the human terrain.

Just now, in Afghanistan, we're really mapping the human terrain, here 8 or 9 years into the conflict. And, in Iraq, it almost happened by accident that we—for example, they had the Anbar Awakening. Our sensitivity to these nonstate types of identifies is not particularly well-developed.

And I think most of our human terrain is probably focused on the counterterrorism mission, sort of find, fix, and finish, but not about the human terrain to leverage it, and showing that we have a sensitivity to the interests of the people.

Senator CASEY. And you mentioned in your testimony a number of times about the effort you think we should undertake in the countryside.

Mr. GREEN. Yes, sir.

Senator CASEY. And how do you best describe that? Because I realize that sometimes we make efforts in another country that are focused on the capital or a big urban area. But can you describe what you mean by that and why it's of particular concern in Yemen?

Mr. GREEN. Yes, sir.

You know, again, going back to Iraq and Afghanistan, we always seem to just have to relearn some of these lessons that so much of the situation out in the countryside affects our interests.

And our ability to influence that is often through national level programs or national implementing partners that, for one reason or another, don't go out to areas that are either too dangerous or aren't considered strategic. And I think that's the same problem we have in Yemen.

And, unfortunately, no one wants to send anyone into harm's way. But at the same time, no one wants to see al-Qaeda have a successful attack. Somewhere between those two left and right parameters there's got to be something we can do that can put folks into these areas, to show the American face isn't just counter-terrorism strikes but people have an interest in their livelihoods.

Senator CASEY. Is there a model that you can point to in Iraq or Afghanistan, or efforts that are anywhere, where you think we can draw a lot of good inspiration from that's not capital- or Embassy-centric, but is more kind of local and countryside in nature?

Mr. GREEN. Yes, sir. I worked at a provincial reconstruction team in Afghanistan for a year. And that is one attempt. There's also district support teams, which are three-man or three-person elements in Afghanistan, for instance.

But in Yemen, we have something called civil military support elements, which are an interesting innovation there. The people who principally man, I believe, are the military, but they wear civilian clothes. And a lot of what they're doing is sort of doing that humanitarian work and human terrain mapping.

And it's a very small program. It's an unclassified program. But I think that's a way that we might be able to address some of these problems.

My preference, of course, would be State Department AID people. But our force protection concerns are so great. Obviously, no one wants to lose an American life unnecessarily. But you can't have a policy of having holistic, long-term strategy with an Embassy that's on ordered departure. These are incompatible goals.

And I understand the need to—I don't have the responsibility, obviously, of governance here, but we have a lot of lessons we learned in Iraq and Afghanistan, and we seem to be chronically forgetting some elements of those.

Senator CASEY. But you said in Yemen now we have a kind of a foundation for that. But you think it needs to be—

Mr. GREEN. Yes, sir. I think it needs to be expanded significantly. And frankly, we have a generation of State and AID folks who've been in ambushes, who've been in firefights, who've been out in these areas, where it's pretty dodgy. And frankly, Yemen, in some ways, looks, you know, peaceable compared to what some of us have gone through.

Senator CASEY. Thanks very much.

Senator Risch.

Senator RISCH. Thank you.

First of all, both of you, I appreciate your pragmatism on these issues. Sometimes we don't get a lot of pragmatism here. And we're not always good at pragmatism. So I appreciate those.

And I appreciate your views that we really should focus on what we can do, not only what we should do, but what we can do, because we lose sight of that a lot of times, and we get bogged down pretty badly, if we lose sight of what we can do.

Mr. Boucek, you said it was getting more difficult to travel around the country. In what regard? Are you talking about mechanically, physically? Or are you talking about from a security standpoint? Or what are you talking about?

Dr. BOUCEK. What we've seen is, as the situation has deteriorated in Yemen, it's become less safe for foreigners, for Americans, to travel in lots of parts of the country. And I think especially, right now, there's some sort of a limbo. It's unsure.

The President is recuperating in Saudi Arabia. The fighting is in some sort of a lull. And I think people are apprehensive and fearful that fighting can start again, even in the capital, where most foreigners spend most of their time.

Senator RISCH. Appreciate that. I'd appreciate hearing both of your views on what, from the average—if there is such a thing—Yemeni, how do they view Americans?

Mr. GREEN. I think, like anything, if your principal experience with a country is kinetic, you tend to have a darker perspective.

For example, when I was in Afghanistan, whenever I met an infantryman, his interaction with Afghans was usually in firefights, so he often had a fairly dim view of Afghans. Whereas, from my perspective, most of mine were building schools and building roads and things of that nature, so I tended to have a positive perspective.

I think my sense is the Yemenis are very curious about Americans and not many of them ever met any of them, but the little interaction they've had is, if it's been through let's say a Predator strike or something like that, they may have a dim view of that. But it just also goes back to whether there were civilian casualties involved in that as well.

I think my sense is that there's an openness to our presence there. But how we're there is more important than the fact we're there, I think.

Senator RISCH. Mr. Boucek.

Dr. BOUCEK. I think I would have a bit more of a pessimistic view on this. And not having any data in front of me, I would venture to guess that probably the view of the United States is probably less positive than was alluded to in the previous panel.

There's a difference, I think, between perceptions of American foreign policy, what U.S. Government has been perceived as doing, if it's counterterrorism operations or support for a government that's unpopular, and how individual Americans are received. And I think it's very difficult to get accurate polling data or public perception data out of that. But I think a wide view, I would venture to guess, is that it's less positive instead of more positive.

Senator RISCH. Finally, I want to explore one other area that we really haven't talked about much, and that is as we move forward, how do the natural resources of the country—gas and oil—play into all of this?

Mr. Boucek, you want to take a run at that?

Dr. BOUCEK. The oil will run out sooner rather than later in Yemen. I think there have been a variety of estimates.

Within 10 years, I think, is the commonly thought idea of when the oil is going to run out, commercially viable, extractable oil.

Natural gas will generate revenues for the next 20 years or so through royalties and revenues, about \$20 billion over the course of the next 20 years, so \$1 billion per year. That will not make up for the shortfall.

The economy is in freefall. And the big concern, I think, is any government that comes next. Who knows what it'll be like, but I'm afraid they will look at the balance sheets and they will see that there is no money to pay for anything. There's no money to pay for things right now. There's a huge budget deficit from last year.

And if they enact all of the current spending, plus the new spending that was announced at the beginning of this year around the start of the protest movement, that would equal another 3.5 percent, which they do not have the money to make up.

So, either way, Yemen is headed for financial catastrophe.

Senator RISCH. Mr. Green.

Mr. GREEN. Sir, I agree with most of what Chris said.

I think we do have to focus also on the state of the economy over there. And I think, for example, Under Secretary of Defense Brinkley's office does a lot of great advisory work with private industry in Iraq and Afghanistan. I know there's some effort or it has already occurred they are being wrapped into USAID.

But I think focusing on the private sector is absolutely central. Obviously, we do that here first in the United States. But we have to do that as well in Yemen, and not look at it simply as a development crisis.

I mean, there are plenty of people there who are involved in business and want to make money and want to help their communities. I think we need to focus on that as well.

Senator RISCH. Mr. Boucek, you said they were going to run out of oil. Is that because they haven't done the exploration that they need? Or is it just a fact that physically that their reserves are depleted?

Dr. BOUCEK. I think it's the result of several factors. One is the big international operating companies do not typically go to Yemen to look. There are only, I think, 6 production blocks that are productive in Yemen out of 90 or so. And Yemen is not blessed with the hydrocarbon resources that some of its neighbors are.

More and more, it's a difficult environment to operate in. And the easily extractable oil has already been extracted.

So at its height, Yemen was producing maybe 450,000 barrels per day. That dropped, maybe, to just under 200,000, and recently, it was probably under 100,000, compared to 9.5 million barrels per day in Saudi Arabia.

Senator RISCH. Thank you.

Thank you, Mr. Chairman.

Senator CASEY. Thanks, Senator Risch.

I want to ask Dr. Boucek about some of the other points you made in your testimony, or the written version, the conclusions.

You mentioned in the second paragraph of your section on conclusions some really interesting topics which we can often easily

overlook. And you're saying, "Judicial training programs can help promote fairer practices and improve conviction rates. There's research that demonstrates that abuse by police, intelligence, and domestic security agencies leads to future recruitment and radicalization."

What can you tell us more about that, but I guess, more particularly, what can you tell us that we could be doing or are doing to try to move forward a judicial training program or other help on their judiciary?

Dr. BOUCEK. Thank you.

I think what I would say is that if our goal is to improve security and stability in Yemen, we can work to improve the security of the country through indirect means as well as through the direct counterterrorism measures that have been discussed earlier.

I think you can make progress all across the line. You can improve the investigative skills to make sure that the authorities apprehend the right individual. As you noted, in the testimony I wrote that abuse and arbitrary detention leads to future recruitment and radicalization, not just in Yemen but throughout the region.

We can improve the abilities of the judges and prosecutors to get convictions. We can improve the ability of the Yemeni authorities to charge people by helping them draft and implement effective counterterrorism legislation to criminalize the behavior that we would like to see criminalized.

We could help improve prisons. This is a huge area that we should do more about. Bad stuff comes out of prisons in the region, and we want to make sure that people, when they do get convicted, stay incarcerated, something that doesn't always happen in Yemen.

So I think there are things that we can do all along this process, short of arming and doing the kinetic counterterrorism operations.

I'd also add that I think, in those programs, you can do more rule-of-law training. You can do more English-language training. You can do more training on the connection between abuses and grievances and recruitment, radicalization, criminality, et cetera.

I think this is an area that we can focus on. And if it's something that the American Government can't or shouldn't be doing, we have lots of friends and allies that do this very well. And we need to look at this in a broader sense, I believe.

Senator CASEY. And I guess you would argue that that would be linked to your focus on anticorruption? I mean, ultimately, that's part of what a good judiciary would result in.

And you also say, toward the end, you talk about the relationship between the Yemeni people and their government. Tell us more about that, because it's a broad statement, and again, something we often take for granted. But the confidence in, or legitimacy for or about, and the support for, ultimately, a government like the people of Yemen have experienced will determine so much.

And I just want to get your sense of what you mean, what undergirds that statement about the relationship between the government and its people?

Dr. BOUCEK. We and our allies, I think, can do a lot to help improve the capacity of the Yemeni Government to be a more respon-

sive government, able to deliver more civil services, able to be in greater control of the territory in Yemen.

But also, I think when everyone is equal before the law, when everyone is prosecuted the same, when corruption at the top and at the bottom goes through the same process, and when it's a process-driven situation instead of a personality driven situation, or who I know to help me get something—and starting off knowing that none of this is going to be easy to do or that it's going to be completely solvable. I think, if we make improvements on that, because I think there is a perception right now that the government is not working in the interests of the people. If it's economics, if it's social, education opportunities, then I think you can do more to improve that relationship by addressing those issues that common Yemenis complain about, about government abuses, about the unequal application of the law.

Senator CASEY. And I was going to ask, Mr. Green—I'll ask both of you this question, but I'll start with Mr. Green.

There are a number of scenarios that some have sketched as to the succession that will take place. And do you have any sense of what's most likely or what's, maybe, most optimal for the people of Yemen, in terms of transition to a new President, a new government, a new era, really, after more than 30 years of rule? What's your sense of that?

Mr. GREEN. Sir, obviously, a lot of this hinges upon what President Saleh's going to do, whether he comes back or not.

But it seems as if the factions in the capital are, sort of, at a military stalemate. And I like to think of it as whether it's going to be a revolution, it's going to be evolution, or deevolution.

And, I mean, there are many ways it could go, for sure, and that's just in Sanaa. You know, Taiz and Aden are other things that are going on.

I think, certainly, there's going to have to be some sort of a process, and maybe August 2 might be the date. That will have been 60 days since President Saleh left for Saudi Arabia, where the constitution says there has to be an election around that date.

I think that might be a forcing mechanism for some sort of way forward. But if there is an election, it has to have the confidence of the people, and it has to be perceived as legitimate. And there has to be some likely outside participant to help monitor that. You know, and all the normal suspects, if you will, the United States, even Saudis, are sort of tainted, to one degree or another. Maybe unfairly, but they are by some population groups.

So it might require a U.N. presence or some other presence to give people confidence that their vote matters.

Senator CASEY. What do you think is optimal, though?

Mr. GREEN. I think, frankly, there might be an evolutionary process. We're not going to see, I think, a complete setting aside of Saleh and all his supporters. I think they're a part of the political geography. They're not going to go away. Certainly, no one can force them to, if only for the fact that they're armed.

And there might be some sort of parliamentary system that develops or elections where some of these factions feel like they have greater representation, and there may have to be some element of power-sharing. But getting people to walk back from shoot-

ing at each other is going to be a process, and making sure they have confidence in the electoral process is also another challenge to meet that goal.

Senator CASEY. Doctor, anything on this?

Dr. BOUCEK. I think we don't know how things are going to turn out. I think, most likely, I would tend toward thinking that there will be a system where the elites in the country, the power elites inside the regime and outside the regime, come together to address some sort of a negotiated settlement, where you don't see much of a change in the system.

And I think there's a belief in Yemen and in the region that no outside actor really wants to see a wholesale change. And I think, should that happen, maybe it's—I don't know if this would be evolution or how they would fit in with this. I think, you know, the youth or the civil society protesters who started all this, they're going to be the ones to lose out, because they don't have a constituency behind them. And this is the one group that's talking about the things that our Government talks about, if it's accountability or transparency or freedom or democracy.

I would like to see elections. I'd like to see a transition. I think how the Yemeni Government will deal with that has yet to be seen. I think, you know, there's a lot of things that are still unclear.

But it seems to me that calling for early elections and then moving toward some sort of a transition is what has to happen to get out of this situation.

The President has already said that he won't stand again for reelection in 2013, that his son will not contest the election.

I think we need to start this process and move toward it. And where the United States and the international community can be most helpful is help to prepare for that eventuality, help train voter registers, help reform voter rolls, all these things that will need to happen, because the GCC and the plans that have been endorsed call for very quick elections. I'm not sure that's either in the best interests of Yemen or security and stability in the region.

Senator CASEY. Mr. Green, how about al-Qaeda? We hear reports all the time about al-Qaeda generally, and obviously a lot of news and a lot of focus on the May 1 and 2, with regard to the killing of Osama bin Laden, but of course an appropriate shift in focus now to a place like Yemen and AQAP.

And I think most security experts, I guess, would say that's where they're strongest or at least seem to have the strongest foundation in place.

But what's your assessment today with regard to AQAP, its strength and viability, and al-Qaeda, more generally, today versus where we were 6 months ago?

Mr. GREEN. You know, whenever you look at insurgencies and also for counterterrorism—or, excuse me, terrorist organizations, there's always a lot of sort of low-level activity that's often mistaken as criminality. You'll see bank robberies, you'll see occasional killings.

And a lot of these are the precursors or the beginning of an organization. They're gathering money to fund future operations. They overran, for instance, a munitions factory in Jaar, acquired more weaponry.

The fact that they were able to mount—and I don't understand exactly how many people were involved, but at least 200, if not more. To overrun Zanzibar in Abyan province is a real measure of the level to which they have advanced. It takes a lot of people, at minimum, but also leadership and sophistication, the ability to communicate, and, frankly, the confidence of the regular foot soldier in his leaders to take and hold land.

That's a real measure of the state of that particular organization. That's as true for the Taliban as it is for any Iraqi insurgency group.

So I think they now have an internal sort of, say, safe haven. A lot of our focus has been on the violence in Abyan province. But I like to think sometimes there are areas that have no violence. That doesn't mean that al-Qaeda doesn't control it. They control it so thoroughly that there is no violence.

I think if you look at some of the provinces, like Marib and Shabwah, Abyan, these places—maybe not in Abyan—but there is an absence of violence, which doesn't mean violence is absent, if you will. I think they have everything they really need right now to plan, to fund, to recruit.

You know, the Internet obviously makes it very easy way for them to influence, which they've done repeatedly.

Senator CASEY. So you'd say that, whether it's comparing now to 6 months ago or even a year ago, you'd say that AQAP's capacity to launch an attack, a strike, on our homeland has been enhanced as opposed to degraded?

Mr. GREEN. Their capacity to do so has been increased. We, of course, have responded to the various attacks with more preventive measures and in some cases going after them.

But with an Embassy that's on lockdown, that's on reduced manning, we're not completely blind, but we are very much operating in sort of the dusk, if you will, or almost nighttime.

We don't have a good understanding of what's going on, I believe, outside of the capital region or the big cities. That makes it very difficult to plan. And we have to, I think, incur some risk and put some of our personnel out in areas.

I'm not saying necessarily put 12 Americans in Marib province overnight, but there are ways of doing this that can get us a little more forward-deployed and inside the country, if only to improve our understanding of the dynamics in the countryside, let alone influencing them or shaping them.

Senator CASEY. Doctor, anything on the security front, with regard to AQAP or al-Qaeda generally?

Dr. BOUCEK. Well, I would just add to that I think we see the undergoverned spaces are getting larger in Yemen, as the state's authority recedes, either by choice or by—

Senator CASEY. You say ungoverned or undergoverned?

Dr. BOUCEK. Undergoverned, I would say.

Either as the state's authority and presence and capacity to do this recedes intentionally or as things fall apart in Yemen, I think we see in AQAP an organization that is increasingly lethal, increasingly opportunistic, that demonstrates a very quick learning curve.

Very clearly, AQAP has the intention and capacity to strike locally in Yemen, regionally and internationally. And increasingly, it seems they have the capacity to do so.

Not just in Yemen, but I think the other side of this is the potential for AQAP or those affiliated or aligned with AQAP to reach back into communities in this country and in Western Europe through English language, non-Arabic language materials, through the Internet, to reach individuals that are not otherwise part of the counterterrorism landscape.

And just today, there's another issue of Inspire magazine that's been released. It's a clue the organization is continuing to do this, despite everything that we see going on in the country.

Senator CASEY. Well, I think we're ready to wrap up, but anything that either of our witnesses would want to say for the record that would be of interest, or an area that you think we should, here in the Senate or the House, especially here in the Senate, areas that you think we should focus on the next couple of months?

Mr. GREEN. Just one thing. I realize we have challenging economic times and fiscal times. And I think we sometimes mistake throwing lots of resources at a problem as a possible strategy. I really do think how we're organized matters sometimes a heck of a lot more than how much money we're spending on things.

Again, my experience is working in isolated forward-operating bases in Afghanistan and Iraq, and working with Afghans who had never met an American, and I'm not saying that that's what would occur in Yemen, but we have to incur some risk on our side of getting out behind these concrete walls in Sanaa and really living amongst the people out in the provinces.

And we can start with provinces that are relatively safe, safer at least—we don't have to start where al-Qaeda is the strongest—if only to learn lessons. But I think too frequently we get focused on how much money we're spending or not spending. And I realize at the end of the day, it's very important, of course. But I think that's the big challenge.

I don't know how much can be done from the Senate side, but it's certainly something to think about.

Senator CASEY. Thank you.

Doctor, anything before we go?

Dr. BOUCEK. I'd just add to that I think recognizing the economic challenges, and I don't want to underestimate Yemen's ability to absorb money, because I think as much money as we want to spend in Yemen, we can find people to spend it. I think as was just mentioned, we don't need to find high-cost, high-impact solutions for some of these challenges. I think there are lower-cost, high-impact things we can do that would make a big difference.

But I think this comes back to a fundamental challenge I see is that we do not resource this issue, Yemen, the way we talk about it.

By that I mean we've heard all kind of counterterrorism officials talk about how AQAP is the biggest threat and that Yemen is the biggest challenge, but we do not resource it anywhere near the level that we do, say, Pakistan.

And we know what will happen in Yemen if we don't do anything. And after the next attack or after things fall apart further in Yemen, it will get more difficult.

So as painful and as difficult as these choices are now, there are worse, fewer options in the future.

Senator CASEY. We're out of time, I know, but thank you very much.

The record will be open for questions that members can submit, but we thank you for your testimony and grateful for the time you spent with us.

We're adjourned.

[Whereupon, at 4:15 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF DEPUTY ASSISTANT ADMINISTRATOR CHRISTA CAPOZZOLA TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

Question. Sanaa could become the first capital city in the world to run out of water. Some analysts have said that much of the violence and instability in Yemen is related to water shortages.

- How is the United States, in conjunction with the international community, addressing this growing need in a sustainable way?

Answer. Yemen is one of the world's 10-most water-scarce countries. In many of Yemen's mountainous areas, available drinking water is down to less than 1 quart per person per day. The nation's aquifers are being mined at an alarming rate; groundwater levels have been falling by 10 to 20 feet annually, threatening agriculture and leaving major cities without adequate safe drinking water. The water crisis is the result of mainly five factors: rising domestic consumption, poor water management, corruption, absence of resource governance, and wasteful irrigation techniques. The water-intensive qat cultivation presents an extra burden on the already limited water resources of Yemen; it also fuels corruption, creating a destructive cycle.

The violence and instability in Yemen emanates in part from political, grassroots sentiments fostered by the Arab Spring. The lack of a political solution has exacerbated a crisis which has destabilized Yemen's economy on a number of fronts. It has also hampered the government's ability to provide basic services and maintain infrastructure—including water networks.

Availability of clean drinking water and management of remaining ground water resources are two key issues on which the international community has engaged the Yemeni Government, academics, agriculturalists, and communities as a way of encouraging open discussion and moving toward solutions. Donors assisted the Republic of Yemen Government in establishing the Water and Environment Ministry and developing a National Water Sector Strategy and Investment Program; however, the Ministry's legal oversight is limited and the four government institutions charged with implementing the strategy need to be strengthened. USAID and others are working with the Yemeni authorities on environmental and water policy reforms and on public awareness campaigns to increase public engagement on the issues.

At the subnational and community level, USAID is implementing activities to promote effective water management techniques for household and agricultural purposes, including: improving water harvesting techniques for rainwater; rehabilitating water storage/distribution structures; training farmers on point source irrigation systems; promoting water-efficient crops; and demonstrating low-cost filtration systems, readily available in Yemen, to encourage water management and sanitation at the household level. USAID has been involved in the water sector in Yemen since the 1970s; at that time, Yemen was more effectively managing its water resources. However, given the existing political underpinnings to the situation, current activities are not guaranteed to solve the problem.

Additional donor activity includes: (1) The World Bank is focusing on urban and rural measures to promote soil conservation, modern irrigation methods, and public awareness of water conservation; (2) Germany is assisting municipal water utilities to improve cost recovery and fees; (3) Japan is preparing to initiate rural water supply projects at 19 sites in five governorates; and (4) the Dutch-funded urban and

rural water, sanitation, and irrigation infrastructure projects and worked with the government to increase institutional capacity and promote water sector reforms.

Question. How can the United States, while continuing to pursue a robust counterterrorism strategy and partnership, better demonstrate to the Yemeni people that United States-Yemeni cooperation extends beyond counterterrorism?

Answer. The U.S. Government is committed to working closely with the Yemeni people, as well as with Yemen's neighbors and the international community, to bring peace and stability to a country that has experienced too much bloodshed and hardship over the past several years.

The United States can continue to demonstrate to the Yemeni people that our cooperation extends beyond counterterrorism by continuing to respond to evolving conditions on the ground with targeted and effective assistance programming. USAID engages citizens and their leaders on issues that concern daily life in Yemen, demonstrating to the Yemeni people that United States-Yemeni cooperation extends beyond counterterrorism. Livelihoods programs work with the most vulnerable populations on activities that address basic development needs in health, education, and agriculture, including mobile medical clinics, small enterprise support, and provision of agricultural inputs like seeds and fertilizer. Programs at both the subnational and national levels help civil servants and political leaders develop capability for managing community services and responding to citizens' needs.

USAID humanitarian programs respond to the Saada conflict in the north and to recent population displacements in the south by providing clean water, emergency relief commodities, medical equipment and care, and food assistance.

Question. In light of the difficult operating environment in Yemen, and the fact that Embassy staff are on ordered departure, please describe any impediments to operating and disbursing U.S. assistance funding in the country.

- How is USAID adapting its program to a deteriorating security environment?

Answer. In response to political turmoil and security challenges in Yemen, USAID is adapting its program in a number of ways. For example, USAID is increasing the number of quick impact projects and expanding geographic targets to meet the emerging relief and recovery needs in both urban and rural communities. Since public utilities, schools, hospitals, clinics, and other service providers are suffering from lack of supplies, fuel, and staff, USAID is providing assistance to help maintain much needed social services in some of the highest priority, least accessible areas around the country.

USAID is also responding to acute emergency requirements at the sites of large-scale protests in four cities by providing medical equipment and commodities to health facilities that are servicing those wounded in the protest violence. The number of cases served by mobile medical teams has increased due to temporary clinic closures; USAID continues to equip and support the operations of these teams despite the rising fuel and equipment costs.

USAID recognizes that maintaining development and humanitarian assistance programs in Yemen is essential to ensuring that the U.S. Government continues to show commitment to the Yemeni people. USAID programs continue to operate throughout the country; however, project implementation has slowed due to security challenges, fuel shortages, power outages, evacuation of USG and implementing partner staff, and other issues. While many implementing partner expats are returning, they continue to face challenges such as: (1) Access in some areas remains a persistent constraint to monitoring and responding to emerging needs; (2) the absence of government interlocutors and international organizations due to evacuations has impeded progress, particularly in rural areas; and (3) sporadic availability of foreign currency has made payments for goods, services, and staff salaries difficult for implementing partners.

Question. A May attack against an oil pipeline in the Marib province severely disrupted Yemen's oil flow for nearly 2 months, further exacerbating Yemen's economic crisis.

- Are there steps the United States and international community can take to help support Yemen's ability to protect its energy infrastructure?

Answer. USAID/Yemen does not have any energy or security projects in its portfolio. This question has been referred to the Department of State.

RESPONSES OF DEPUTY ASSISTANT SECRETARY JANET SANDERSON TO QUESTIONS
SUBMITTED BY SENATOR JOHN F. KERRY

Question. Sanaa could become the first capital city in the world to run out of water. Some analysts have said that much of the violence and instability in Yemen is related to water shortages. How is the United States, in conjunction with the international community, addressing this growing need in a sustainable way?

Answer. The violence and instability in Yemen emanates in part from political, grassroots sentiments fostered by the Arab Spring. The lack of a political solution has exacerbated a crisis which has destabilized Yemen's economy on a number of fronts. It has also hampered the government's ability to provide basic services and maintain infrastructure—including water networks.

Availability of clean drinking water and management of remaining ground water resources are two key issues on which the international community has engaged the Yemeni Government, academics, agriculturalists, and communities as a way of encouraging open discussion and moving toward solutions. Donors assisted the Republic of Yemen Government in establishing its Water and Environment Ministry and in developing a National Water Sector Strategy and Investment Program; however, the Ministry's legal oversight is limited and the four government institutions charged with implementing the strategy need to be strengthened. USAID and others are working with the Yemeni authorities on environmental and water policy reforms and on public awareness campaigns to increase public engagement on the issues.

At the subnational and community level, USAID is implementing activities to promote effective water management techniques for household and agricultural purposes, including: improving water harvesting techniques for rainwater; rehabilitating water storage/distribution structures; training farmers on point source irrigation systems; promoting water-efficient crops; and demonstrating low-cost filtration systems, readily available in Yemen, to encourage water management and sanitation at the household level.

Additional donor activity includes: (1) The World Bank is focusing on urban and rural measures to promote soil conservation, modern irrigation methods, and public awareness of water conservation; (2) Germany is assisting municipal water utilities to improve cost recovery and fees; (3) Japan is preparing to initiate rural water supply projects at 19 sites in five governorates; and (4) the Dutch funded urban and rural water, sanitation, and irrigation infrastructure projects and worked with the government to increase institutional capacity and promote water sector reforms.

Question. How can the United States, while continuing to pursue a robust counterterrorism strategy and partnership, better demonstrate to the Yemeni people that United States-Yemeni cooperation extends beyond counterterrorism?

Answer. In Yemen, we support a two-pronged approach that aims to strengthen the Government of Yemen's ability to promote security and minimize the threat from violent extremists, while addressing the drivers of instability including the deteriorating economic situation, deficiencies in government capacity to provide essential services to the Yemeni people, poor governance, and limited transparency. The Yemeni people face significant challenges on the security, governance, and economic fronts. In tackling these conditions, the United States continues to implement a broad approach by addressing longer term political, economic, and social challenges, which Al Qaeda in the Arabian Peninsula (AQAP) exploits to create a safe haven.

The United States provides counterterrorism and security assistance to Yemen, but also provides humanitarian and development assistance directly to the Yemeni people. We take steps to increase the Government of Yemen's ability to provide services and be responsible to the needs of its people, and we support efforts by Yemen's vibrant civil society to hold its government accountable. We continue to emphasize our two-pronged approach—helping the government confront the immediate security concern of al-Qaeda and mitigating the serious political, economic, and governance issues that the country faces over the long term—in bilateral and multilateral messaging on Yemen.

Question. In light of the difficult operating environment in Yemen, and the fact that Embassy staff are on ordered departure, please describe any impediments to operating and disbursing U.S. assistance funding in the country. How is USAID adapting its program to a deteriorating security environment?

Answer. In response to political turmoil and security challenges in Yemen, USAID is adapting its program in a number of ways. For example, USAID is increasing the number of quick impact projects and expanding geographic targets to meet the emerging relief and recovery needs in both urban and rural communities. Since public utilities, schools, hospitals, clinics, and other service providers are suffering from

lack of supplies, fuel, and staff, USAID is providing assistance to help maintain much-needed social services in some of the highest priority, least accessible areas around the country.

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USAID recognizes that maintaining development and humanitarian assistance programs in Yemen is essential to ensuring that the U.S. Government continues to show commitment to the Yemeni people. USAID programs continue to operate throughout the country; however, project implementation has slowed due to security challenges, fuel shortages, power outages, evacuation of USG and implementing partner staff. While many implementing partner expatriates are returning, they continue to face challenges such as: (1) Access in some areas remains a persistent constraint to monitoring and responding to emerging needs; (2) the absence of government interlocutors and international organizations due to evacuations has impeded progress, particularly in rural areas; and (3) Sporadic availability of foreign currency has made payments for goods, services, and staff salaries difficult for implementing partners.

Question. A May attack against an oil pipeline in the Marib province severely disrupted Yemen's oil flow for nearly 2 months, further exacerbating Yemen's economic crisis. Are there steps the United States and international community can take to help support Yemen's ability to protect its energy infrastructure?

Answer. In Yemen, oil pipelines run above ground through rural, open areas often governed by tribal leaders. While the United States and others in the international community can advise the Yemeni Government on energy infrastructure protection, it is up to the Yemeni Government to ensure successful relations with the tribal leaders of the areas through which oil pipelines run. The United States and the international community will continue to advise the Yemeni Government of steps to improve critical infrastructure protection.

RESPONSES OF COORDINATOR FOR COUNTER TERRORISM AMBASSADOR DANIEL BENJAMIN TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

Question. How can the United States, while continuing to pursue a robust counterterrorism strategy and partnership, better demonstrate to the Yemeni people that United States-Yemeni cooperation extends beyond counterterrorism?

Answer. In Yemen, we support a two-pronged approach that aims to strengthen the Government of Yemen's ability to promote security and minimize the threat from violent extremists, while addressing the drivers of instability. Those drivers include the deteriorating economic situation, deficiencies in government capacity to provide essential services to the Yemeni people, poor governance, and limited transparency. The Yemeni Government and people face significant challenges on the security, governance, and economic fronts. In tackling these conditions, the United States continues to implement policies and programs to address longer term political, economic, and social challenges, which Al Qaeda in the Arabian Peninsula (AQAP) exploits to create a safe haven.

The United States provides counterterrorism and security assistance to Yemen, but also provides humanitarian and development assistance directly to the Yemeni people. We take steps to increase the Government of Yemen's ability to provide services and to be responsible to the needs of its people, and we support efforts by Yemen's vibrant civil society to hold its government accountable. We continue to emphasize our two-pronged approach—helping the government confront the immediate security concern of al-Qaeda and mitigating the serious political, economic, and governance issues that the country faces over the long term—in bilateral and multi-lateral messaging on Yemen.

Question. A May attack against an oil pipeline in the Marib province severely disrupted Yemen's oil flow for nearly 2 months, further exacerbating Yemen's economic crisis. Are there steps the United States and international community can take to help support Yemen's ability to protect its energy infrastructure?

Answer. In Yemen, oil pipelines run above ground through rural, open areas often governed by tribal leaders. While the United States and others in the international community can advise the Yemeni Government on energy infrastructure protection,

the Yemeni Government must work to ensure successful relations with the tribal leaders of the areas through which oil pipelines run. The United States and the international community will continue to advise the Yemeni Government of possible steps to improve critical infrastructure protection.

Question. You noted in your testimony that “no FY 2011 1206 funding has been programmed for Yemen because of the security situation and political unrest.” How has this delay in 1206 programming affected Yemen’s ability, and the ability of the Special Operations Forces in particular, to combat Al Qaeda in the Arabian Peninsula? How does it affect the bilateral security relationship?

Answer. The delay in delivery and programming of 1206-funded equipment for Yemen has not so far affected the Yemeni Government’s ability to respond to terrorist threats. Recommendations for FY 2011 1206 programs required long lead-times and the equipment would not have been delivered for over 12 months. We continue regular communication and cooperation with our counterparts in the Yemeni Government regarding their counterterrorism operations, and continue to build the relationship.

Question. What is the relationship between the Ansar al-Shariah group, which has reportedly seized territory in Abyan province, and Al Qaeda in the Arabian Peninsula?

Answer. Ansar al-Shariah is the name that Al Qaeda in the Arabian Peninsula (AQAP) is using in Yemen’s Abyan Governorate. AQAP uses the name Ansar al-Shariah most likely in attempt to better relate to the local population and divert attention from its al-Qaeda connection.

RESPONSES OF DEPUTY ASSISTANT SECRETARY JANET SANDERSON TO QUESTIONS
SUBMITTED BY SENATOR JAMES E. RISCH

Question. Stepping back from the immediate security challenges and threats, what are the strategic objectives of the United States in Yemen? And given the deteriorating security situation and its impact on U.S. ability to conduct development outreach and CT training programs. What tools are at U.S. disposal to pursue these strategic objectives?

Answer. In Yemen, we are working to strengthen the Government of Yemen’s ability to promote security and minimize the threat from violent extremists, while addressing the drivers of instability including the deteriorating economic situation, deficiencies in government capacity to provide essential services to the Yemeni people, poor governance, and limited transparency. The Yemeni people face significant challenges on the security, governance, and economic fronts. In tackling these conditions, the United States continues to provide a range of assistance in the context of quiet diplomacy and international partnership to address these long-term objectives.

Question. What could the United States be doing to better prepare for a prolonged period of unrest in Yemen?

Answer. We continue to advocate for peaceful dialogue as the best solution to the political crisis in Yemen. Genuine participation by all sides, including youth and civil society, in an open and transparent process that addresses the legitimate concerns of the Yemeni people, including their political and economic aspirations, will assure the success of political transition. We will continue to work with our international partners to secure an agreement that is acceptable to both the government and the opposition.

In conjunction with any political solution, there must also be wide-ranging international engagement to help the Yemeni government solve its looming economic crisis in order to prevent a humanitarian catastrophe and ensure long-term economic and social stability. The United States has focused on promoting transparency and political, economic, and governance reform as well as our counterterrorism relationship. We have consistently engaged with both President Saleh and members of the formal and informal opposition and will continue to do so in an effort to promote dialogue and a peaceful resolution of conflict.

RESPONSES OF DEPUTY ASSISTANT ADMINISTRATOR CHRISTA CAPOZZOLA TO
QUESTIONS SUBMITTED BY SENATOR ROBERT P. CASEY, JR.

Question. During his July 10 visit to Saudi Arabia, White House Counterterrorism Advisor John Brennan urged President Saleh to “fulfill expeditiously” his pledge to

sign the Gulf Cooperation Council (GCC) agreement as the best way to ensure continued U.S. assistance.

- Should the U.S. condition future aid to Yemen based on democratic reform?

Answer. Underdevelopment in Yemen has resulted in widespread poverty, chronic food insecurity, inadequate health care, and limited water supplies. Since early February 2011, clashes between Republic of Yemen Government military forces, antigovernment demonstrators, progovernment demonstrators, rival tribes, and militant and terrorist groups have exacerbated these conditions. Political unrest has heightened concerns regarding security, access, and the government's ability to provide basic services.

U.S. Government is committed to working closely with the Yemeni people as well as with Yemen's neighbors and the international community to bring peace and stability to a country that has unfortunately experienced too much bloodshed and hardship over the past several years. The political transition is critical to resolving the many challenges to Yemen's security, including the humanitarian crisis, economic difficulties, and the threat from Al Qaeda in the Arabian Peninsula.

USAID/Yemen strategy is an integral part of the larger, National Security Council-coordinated interagency strategy for Yemen. Programming addresses the drivers of instability and responds to the articulated needs and frustrations of vulnerable communities. These communities are in the governorates most susceptible to extremist ideologies and prone to violent means of resolving grievances. Making aid, particularly humanitarian assistance, contingent on democratic reform could further frustrate these vulnerable, already marginalized populations. Prior to the political crisis we were working through the international Friends of Yemen forum and bilaterally to help the Yemenis identify economic, governance, and rule of law reforms that could be implemented to help Yemen address its many challenges. We will resume those efforts once the political environment permits but should not restrict aid to progress in democratic reform when we are simultaneously working on reforms in so many other areas.

Despite security challenges and political turmoil, USAID continues to provide assistance and respond to evolving conditions in Yemen. USAID has already committed over \$40 million in FY11 to respond to the increasing humanitarian needs and is increasing the number of rapid response projects to meet emerging relief and recovery needs in both urban and rural communities.

Question. Outside of conditioning assistance, what steps will a transitional government need to take to satisfy the American tax payer's concerns that foreign assistance is spent wisely?

Answer. Yemen faces very serious political, economic, and security challenges. The United States has been working closely with Yemeni officials and opposition elements, GCC partners, and other international actors to bring an end to the political turmoil and violence in Yemen. The United States supports the Yemeni people's aspirations for meaningful political reform, but it is up to the Yemeni people to decide what form political reform takes.

As part of its procurement reform process through USAID Forward, our programming is designed to enhance partnership with the host country and achieve more effective results by increasing host country accountability for program outcomes.

USAID will continue to counter corruption and to thoroughly vet all grant proposals and grant recipients to ensure that foreign assistance is spent wisely.

- To prevent corruption, USAID does not provide cash assistance in Yemen, and does not provide direct monetary support to the Republic of Yemen Government. The majority of our support is to communities, and is provided in the form of in-kind assistance. Community engagement is an essential element in countering corruption, as communities who have bought in to the activities and see the benefits of them are less likely to allow those activities to fall victim to corrupt practices and fail.
- USAID has standard provisions in all its contracting instruments regarding vetting. We have reviewed those provisions with all our implementing partners in Yemen, and partners have processes in place to vet recipients of grants through all our programs.