

HFAC Testimony on Yemen and Bahrain

November 19, 2013

Chairman Ros-Lehtinen, Ranking Member Deutch, Members of the Subcommittee, thank you for inviting me here today to discuss Yemen and Bahrain. I have just returned from a trip to the region and I can assure you that this is an issue of critical importance to the Obama Administration. I welcome the chance to discuss Yemen and Bahrain with you and ask that my full testimony be submitted for the record.

Yemen

The United States enjoys a strong and comprehensive relationship with the government of President Abdo Rabbo Mansour Hadi and the Yemeni people. I visited Sana'a last week to underscore U.S. support for Yemen's historic political transition and continued bilateral security cooperation. A democratic, unified, and stable Yemen will be best able to meet the needs of its citizens and participate fully as a partner in supporting regional security.

Yemen continues to make significant strides forward in its political transition, even while it faces unprecedented challenges. Our policy focuses on supporting President Hadi and the people of Yemen as they seek to achieve an inclusive, representative, and unified political system through this ongoing transition process. We are also partnering with the Yemeni government to meet the critical, near-term needs of its citizens. In particular, our engagement centers on four key areas: 1) the political transition process; 2) economic reform and development; 3) humanitarian relief; and, 4) security and counterterrorism cooperation.

Since the November 2011 signing of the Gulf Cooperation Council (GCC)-brokered transition initiative, Yemen has taken several significant steps toward meaningful reform. These include: the December 2011 formation of a National Consensus Government, consisting of former ruling party and opposition leaders; the February 2012 election of President Hadi as the country's first new president in over three decades; and, the launch of a National Dialogue Conference this March – a gathering of 565 delegates from across the political spectrum, brought together for the most inclusive discussion of its kind in Yemen's history. During my recent trip to Sana'a, I saw firsthand how the Yemeni people have come together to support this process.

The dialogue has accomplished what many thought impossible, as Yemen stood on the brink of civil war a little more than two years ago. Political elites, tribal elders, women, youth, civil society activists, and representatives of minority communities have gathered to share ideas and develop meaningful recommendations and proposals for Yemen's future. Nine working groups have discussed an expansive range of topics, including governance, state-building, deep-seated regional grievances, human rights and security. Women represent nearly a third -- and youth a fifth -- of the dialogue's delegates. Participation was also divided equally between the country's north and south, fostering a measure of goodwill among many southerners previously marginalized from political, military, and economic opportunities by the former regime.

Despite these positive achievements, disagreement over the future state structure has delayed the dialogue well beyond its scheduled September 18 conclusion. This stalemate has allowed regional, sectarian, and political disputes to intensify. We are actively engaging with President Hadi and other Yemeni political leaders to encourage a consensus agreement on the principles of the state's structure, so that the dialogue can conclude and subsequent transition steps -- including constitutional reform, a constitutional referendum, and national elections -- may proceed, while the details of state structure are deliberated concurrently. Peaceful deliberation and disagreement are essential features of healthy democratic debates. Indeed, as several prominent Yemenis told me during my recent visit to Sana'a, individuals from all sides are optimistic that there is a way forward and that all of the outstanding political issues can and should be agreed upon, so that the next steps of the transition may proceed.

However, there also remain "spoilers" intent on disrupting or derailing the transition process -- from members of the former regime to political opportunists bent on bolstering their own support at any cost. Given the desire of Yemenis to achieve real change, we do not believe these detractors will succeed in their attempts. Nonetheless, we continue to make clear that we will not tolerate any attempts to subvert the process.

We are in close coordination with the international community in Sana'a, as well as the United Nations and other international partners, to encourage transition progress. The GCC, in particular, has played and will continue to play a critical role supporting Yemen throughout its transition. We maintain regular engagement with our Gulf partners to harmonize efforts. To date, we have provided nearly \$39 million to support the political transition process, including training National Dialogue delegates, mentoring female and minority delegates, and strengthening

civic engagement. We also plan to assist Yemen as it moves forward to constitutional reform and, ultimately, national elections.

Economic reform and development will also be a key underpinning of the transition's success. Yemen's economy has shown some signs of recovery. Following a 15 percent GDP contraction during the turmoil of 2011 that paralyzed government institutions and shut down many private enterprises, and minimal growth in 2012, the IMF predicts there will be around 4.5 percent GDP growth in 2013. However, Yemen is expected to have a budget deficit of more than \$3 billion. Overall unemployment is estimated at 40 percent and youth unemployment exceeds 60 percent. Meanwhile, frequent attacks on energy infrastructure have reduced oil and gas exports that are the principal source of revenue to support Yemen's large and inefficient public sector.

To address these endemic issues we are committed to supporting Yemen's economic reform and development. In tandem with the World Bank, IMF, and other international partners, we have made clear to Yemen that undertaking specific, achievable reforms today – such as reducing crippling fuel subsidies, eliminating ghost government employees, increasing transparency in the budget process, strengthening the private sector, and reinvigorating the government's anti-corruption efforts – is essential to building the foundation necessary to address the needs of all Yemenis. I emphasized while in Sana'a last week that the Yemeni government must take steps toward economic reform to ensure the success of the broader political transition and create the foundation for a prosperous Yemen. We will continue to work with international partners to provide the incentives and support Yemen requires to carry out its reform agenda.

As Yemen tackles issues of fundamental political reform, it continues to cope with serious economic and social challenges affecting the everyday lives of Yemenis. Over 306,000 Yemenis remain internally displaced, an estimated 10.5 million of Yemen's 24 million people are food insecure, one million Yemenis suffer from acute malnutrition, and as many as 13.1 million people lack access to safe drinking water and basic sanitation services, according to the United Nations. Investment in the economic and social well-being of the Yemeni people, as well as immediate relief for their urgent humanitarian needs, is necessary to help realize the transition's full potential. The United States has provided more than \$221 million in humanitarian assistance over the past two fiscal years to help address the needs of the most vulnerable populations in Yemen, in coordination with the United Nations and other humanitarian organizations. This includes food and nutrition

assistance, access to water and shelter, and provision of health care, including immunizations and disease prevention, among other types of assistance.

Ultimately, progress on security will be a key underpinning to the success of Yemen's political transition. The Yemeni government has made some gains in extending security in the country, both through military operations against al-Qaeda in the Arabian Peninsula (AQAP) and through a challenging reorganization of security institutions. President Hadi has taken important steps toward restructuring Yemen's military and security services, including issuing decrees in January and April 2013 that outlined a new brigade structure, and undertaking other initiatives to enhance the professionalism and capacity of Yemen's armed forces. We have encouraged the Yemeni government to continue progress on this important aspect of the transition agreement, which will strengthen Yemeni capacity to secure the country against internal and external threats. I underscored this point during my recent visit to Sana'a. We also have concerns that external actors, including Iran, continue efforts to undermine Yemen's transition in order to destabilize the region.

We are encouraged by the counterterrorism efforts President Hadi and the Yemeni government have taken, and remain committed to continued close coordination in the fight against terrorism. Through the steadfast support of the United States and the efforts of President Hadi, Yemen has reclaimed territory in the south previously under AQAP control and has taken steps to strengthen border security. Despite this, AQAP continues to pose an immediate security threat to Yemen, the region, and to the United States. As President Obama said in his May speech at the National Defense University, AQAP is the most active organization plotting against our homeland. The Yemeni government has the will to counter AQAP, but does not have the capacity at this time to extend security throughout all parts of the country.

Continued U.S. support for the Yemeni security sector is thus critical as the country continues to battle an AQAP presence within its borders. Our security assistance to Yemen focuses on increasing Yemeni capacity to secure the country against AQAP and other threats through a comprehensive strategy that addresses the country's critical security challenges. Our assistance seeks to develop the capacity of Yemen's security forces to conduct counterterrorism operations and to secure maritime and land borders and territorial waters. We also support programs to counter violent extremism in Yemen and build law enforcement capacity.

To sustain Yemen's ongoing security sector reform and counterterrorism efforts throughout the transition period, the United States provided roughly \$87 million in Department of State-funded security assistance to Yemen over the past two fiscal years, as well as nearly \$161 million in Department of Defense-funded programs to train and equip the Yemeni security forces to conduct counterterrorism operations.

Bahrain

If you will permit, I will now turn to Bahrain. Strategically situated between Saudi Arabia and Iran, Bahrain is a major non-NATO ally and a steadfast partner in regional security. As host of our Fifth Fleet and U.S. Naval Forces Central Command (NAVCENT), Bahrain is home to our main naval operating base in the Middle East. Our relationship with Bahrain allows us to work cooperatively to address threats to our common security interests, ensure open sea-lanes for international commerce, and counter piracy. The United States is committed to this important relationship.

During my first visit to Bahrain as Deputy Assistant Secretary this past September, I met with a wide range of Bahraini interlocutors, ranging from government officials to political society leaders to civil society members. I saw first-hand the importance of this relationship, the complex challenges Bahrain is facing, and the ways in which the United States can support Bahrain's transition beyond this challenging period in its history.

A more stable, secure, and prosperous Bahrain will enable us to continue to build our strong security partnership and promote reform, human rights, and dialogue. Beginning in February 2011, the country experienced a sustained period of unrest, with mass protests calling for political reform. At the urging of international partners, including the U.S., and in response to this unrest, which was marked by mass arrests and deaths of a number of protesters as well as security personnel, the Bahraini government launched a political reform process in the summer of 2011. This process has made some important strides, but it has not yet gained sufficient momentum to move Bahrain definitively beyond this unrest.

Bahrain continues to suffer from low-level street violence, including the use of crude improvised explosive devices that have resulted in numerous security force casualties. A small but violent set of groups seeking the overthrow of the Bahraini government are engaging in increasingly provocative actions against security forces which have led to injuries and a number of deaths. Overall, the number and tempo of violent incidents has decreased in recent months. While none of these

incidents have been directed at U.S. mission or military personnel, we continue to closely monitor these trends and provide regular updates to American citizens residing in Bahrain.

November 23 marks the two year anniversary of the landmark Bahrain Independent Commission of Inquiry (BICI) report, promulgated by an independent body of experts convened by King Hamad to study and provide recommendations to address the government's response to the 2011 protest movement. King Hamad demonstrated strong leadership in convening the body, accepting the recommendations in the report, and committing to implement them in full – a unique undertaking in response to some of the unrest we have witnessed across the region during the last years. Two years later, the Bahraini government has made some progress in implementing these recommendations but much remains to be done, particularly in the areas of accountability for police abuse, freedom of expression protections, and media incitement.

The First Deputy Prime Minister's office, led by Crown Prince Salman al Khalifa, has laid out an ambitious set of measures aimed at addressing a number of the BICI report recommendations as well as other initiatives that go beyond the scope of the report. Among many efforts, these include projects to rebuild mosques and religious structures demolished during the 2011 unrest as well as the construction of new housing tracts for a diverse group of Bahrainis. These are positive steps that can help rebuild trust.

The Bahraini government recognized the need for a dialogue process to address the range of concerns from the political societies. In early 2013, the Bahraini government announced a National Dialogue, an initiative that brought together 27 Bahraini ministers, Parliamentarians, and members of opposition societies and loyalist societies. This could be an important mechanism to promote engagement and reconciliation, and we have strongly supported this effort since its inception.

Regrettably, however, talks have broken down and the opposition societies continue to maintain the temporary boycott of the dialogue they initiated in September as a result of a deteriorating political environment. Certain measures by the government—the Ministry of Justice's order regulating meetings between political societies and international diplomats, and the charges against senior opposition members including Wifaq leaders Khalil Marzooq and Ali Salman—have had a chilling effect on the dialogue and have restricted the space for opposition activity. At the same time, opposition societies continue to boycott mechanisms that do not produce immediate results, an approach that we believe,

unfortunately, undermines reconciliation efforts. An end to the dialogue would leave both Bahrain's political societies and its government with no formal mechanism to negotiate a path forward. We have consistently urged the opposition to return to the table and demonstrate political courage in denouncing unequivocally all acts of violence as well as those committing such acts; at the same time, we have consistently pressed the Bahraini government to take concrete steps that would improve the environment for dialogue. We are pressing all sides to demonstrate courageous leadership to build a positive environment and move forward constructively in this important forum.

We are deeply committed to working with all parties in Bahrain to move beyond this period of crisis – a term used by literally every Bahraini I spoke with in September, whether inside or outside government – and continue to build on our strong bilateral relationship. We believe this vision is best realized by pursuing a political dialogue, implementing promised reforms, and ensuring the protection of human rights, all efforts the Bahraini government has initiated. There is a strong need in Bahrain to cultivate voices of moderation, to drown out those who otherwise incite and feed the kind of polarization that is surely not in keeping with Bahrain's historical traditions of a harmonious multi-ethnic society. We are engaging intensively with the Bahraini government, political societies, civil society members, and Bahrain's neighbors to realize this vision. In the end, however, we agree with Bahrainis that the solution must be Bahraini-driven. We call on responsible persons from all parts of Bahraini society to demonstrate leadership in the quest for reconciliation and real dialogue. Strong leadership is greatly needed from all sides in order to move Bahrain beyond its current period impasse.

Thank you for the opportunity to testify and I look forward to answering any questions you may have.