



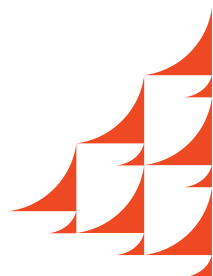
The Arab Gulf States Institute in Washington

Building bridges of understanding



UAE Security Forum 2018 Yemen after the War: Addressing the Challenges of Peace and Reconstruction

Conference Report



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January 17, 2019

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2019

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About This Report

This report is based on the presentations and discussions during the UAE Security Forum 2018, “Yemen after the War: Addressing the Challenges of Peace and Reconstruction” held on December 9, 2018 in Abu Dhabi, United Arab Emirates.

This report was prepared by Amélie Mouton, a journalist based in Abu Dhabi and the regional correspondent for the Belgian newspaper La Libre Belgique.

For more information and videos from the forum, visit www.uaesf.org.

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Foreword

It gives me great pleasure to present to you the final report of the UAE Security Forum 2018, “Yemen after the War: Addressing the Challenges of Peace and Reconstruction.” The forum was held at NYU Abu Dhabi on December 9, 2018.

As the third iteration of this forum, UAESF 2018 demonstrated the vital role the forum plays as a venue where U.S., Emirati, and regional partners gather to find creative solutions to some of the most pressing challenges to long-standing, shared interests.

Nearly four years since a Saudi-led coalition entered the war in Yemen, the conflict has continued, fracturing the country and spawning the largest humanitarian crisis in the world. The ongoing conflict is a top security priority for the region, and sustainable peace in Yemen would benefit the broader region and world as a whole. Therefore, regional and international powers have a distinct role to play in securing a stable and prosperous Yemen.

Even as a U.N.-sponsored peace process struggles to resolve the conflict, it is clear stabilization will be fragmented, and there will likely be many setbacks. However, it is not too early to look toward reconstruction, and it is essential to be proactive in preparing for the postconflict period. UAESF 2018 brought together policymakers, scholars, economists, international development practitioners, and NGO representatives to tackle the challenges of postconflict reconstruction and provide recommendations on how best to secure an economically and politically sustainable Yemen. You will find their insightful comments throughout the pages of this report.

I would like to thank our partners, Lockheed Martin Global, Inc., AmCham Abu Dhabi, The National newspaper, Etihad Airways, and NYU Abu Dhabi. I hope you find this report informative and useful, and I look forward to the next iteration of the UAE Security Forum in 2019.



Ambassador Marcelle M. Wahba
President, Arab Gulf States Institute in Washington



Ambassador Marcelle M. Wahba, President, AGSIW

Executive Summary

On December 9, 2018, the Arab Gulf States Institute in Washington held its third annual UAE Security Forum, “Yemen after the War: Addressing the Challenges of Peace and Reconstruction.” Held in Abu Dhabi, it brought together a diverse group of policymakers, scholars, and practitioners to provide recommendations on how best to secure an economically and politically sustainable Yemen.

The recent breakthrough in Sweden at U.N.-sponsored talks between the warring parties has revived hopes that a political settlement between representatives of the Yemeni government and Ansar Allah, the Houthi movement, may be reached in the near future. And while a peace is not likely to be reached without some setbacks, and some degree of conflict is expected to continue, it is not too early to address some pressing issues related to the postwar period in Yemen. Past experiences and failures, in Yemen and in other postconflict countries, have informed the best way to handle stabilization efforts to prevent a resurgence of violence.

At the forum, speakers and discussants agreed on the need to take small, simple, and pragmatic steps to quickly improve living conditions for the Yemeni population. They discussed how a responsible management of monetary policy through a reunified central bank could curb the spiraling humanitarian crisis. They addressed the need for security sector reforms and stabilization strategies that will establish pockets of peace through locally negotiated settlements. They linked unemployment reduction to any successful efforts at disarmament, demobilization, and reintegration. They mapped Yemen’s many economic assets: a resilient private sector, a bountiful diaspora and promising resources like agriculture, animal husbandry, fisheries, renewable energy, and deep-water ports. And finally, assessing the role of regional and international players in the reconstruction efforts, they stressed the need for coordination and burden sharing, as well as an emphasis on a bottom-up rather than top-down design of the reconstruction process.

Key Findings and Recommendations

- Yemen is likely to be dealing with partial and fragmented peace agreements before any integrated national solution is reached. Reconstruction efforts will need to begin before conflict is fully extinguished and it is essential to be proactive in preparing for the postconflict period.
- Areas most receptive to reconstruction should be identified and work should begin in a way that encourages other regions to create conditions that permit an effective insertion of human and financial resources.
- Reunification of the Central Bank of Yemen should be a top priority of any economic-stabilization effort, so that it reemerges as an efficient and trusted institution with sufficient capital to stabilize the national currency.

- A national reconstruction authority should be established with representatives of key donor and neighboring states, international nongovernmental organizations, and an inclusive Yemeni transitional government. This body needs to have strong links to local municipal councils in order to build trust and ensure a bottom-up rather than top-down process of establishing reconstruction priorities, and should focus on small-scale, quick-impact projects.
- The task of disarming, demobilizing, and reintegrating up to 1 million fighters should be tackled immediately and all militias and other forces need to be treated equally. Creating employment for these individuals so they have an economic alternative to rearming themselves should be an immediate priority.
- Drawing on Yemen's still-strong private sector, and an active diaspora community, the country's economic assets, such as fisheries, deep-water ports, and energy resources, should be developed quickly.
- Yemen's political future – whether it emerges from the conflict as a unified state or a loose confederation of statelets – will need to be decided by Yemenis themselves. National elections will be an important part of this process, but they should not be rushed, and only held after sufficient focus on participation and accountability ensures their peaceful organization.
- As a stable and prosperous Yemen benefits the broader region, the neighboring Gulf Cooperation Council states should consider concessions to Yemen to assist with the long-term economic and social stabilization the country will require as it emerges from this conflict.

Introduction

In 2015, an international military coalition led by Saudi Arabia entered the Yemeni civil war. Nearly four years later, the conflict continues and Yemen is badly fractured. In southern Yemen, secessionist forces are gaining ground, while in the north, Ansar Allah, the military wing of the Houthi movement, controls most of the highlands, including the capital, Sanaa, and the northern governorate of Saada. A largely autonomous area has also formed along central northern Yemen, particularly in the area around Marib governorate where Islah, Yemen's main Sunni Islamist party, dominates.¹

The country's economy, infrastructure, and institutions have been badly damaged, and the human price for the war is staggering. The conflict in Yemen has spawned the largest humanitarian crisis in the world. Aid organizations estimate that already tens of thousands of children may have died from hunger,² and 12 to 14 million more Yemenis are currently at risk of starvation.³ The coalition's protracted air campaign has resulted in extensive damage

¹ Kristin Smith Diwan, et al, "[The Geoeconomics of Reconstruction in Yemen](#)," *Arab Gulf States Institute in Washington*, November 16, 2018.

² Palko Karasz, "[85,000 Children in Yemen May Have Died of Starvation](#)," *The New York Times*, November 21, 2018.

³ "[Yemen: Major UN Aid Boost for 'Up to 14 Million' as Country Risks Becoming a Land of 'Living Ghosts'](#)," *UN News*, November 9, 2018.

to medical, water, and sanitation facilities, while the country struggles with the worst cholera outbreak in modern history, with 1.2 million suspected cases.⁴ More than 2 million people have been displaced, most of whom do not have access to clean water or medical care.⁵

Social coping mechanisms used to be exceptionally robust in Yemen. Families leaned on one another and drained their savings to help others, keeping many afloat longer than expected. Those mechanisms are now extinct. Kinship structures are unable to continue offering the safety net they traditionally guaranteed. Furthermore, the conflict could lead to the loss of a whole generation of Yemenis. Starvation has impaired children's proper development and their capability to perform in school.

Amid this gloomy picture, a glimmer of hope has recently emerged. Using confidence-building initiatives such as prisoner exchanges, Martin Griffiths, the U.N. special envoy for Yemen, has been able to build a modicum of trust between belligerents. In Sweden on December 6, 2018, Yemeni government and Houthi representatives met for their first direct

More than 2 million people have been displaced, most of whom do not have access to clean water or medical care.

On December 13, the parties agreed to a cease-fire in the port city of Hodeidah, a

major flash point in the war and the main conduit for 80 percent of humanitarian aid and 70 percent of commercial supplies entering Yemen, according to the United Nations. If it is successfully implemented, the cease-fire may reduce the specter of famine. The agreement also concerns the surrounding province and involves a humanitarian corridor into Taiz, the country's third-largest city. Both parties insisted that the deal is not a comprehensive peace deal, but an expression of good will. Further discussions are scheduled for the end of January.

The Arab Gulf States Institute in Washington held its third UAE Security Forum as the peace talks unfolded in Sweden. Held in Abu Dhabi on December 9, the forum sought to tackle the challenges of postconflict reconstruction in Yemen. Even if a political settlement has not yet been reached and setbacks are expected down the road, it is not too early to address this daunting task. In her introductory comments to the forum, Ambassador Marcelle M. Wahba, AGSIW's president, stressed the need to be proactive in preparing for the postconflict period. The world should be ready to move quickly into Yemen after the war, she argued, in order to end "the long nightmare endured by Yemeni men, women, and children, and show them that they have not been forgotten." Successful stabilization will depend on the capacity of local, regional, and international players to address pressing issues. Hence, it is critical to plan ahead, discuss the construction of a lasting peace, and understand the conditions for the successful development of Yemen's many economic assets.

⁴ "Yemen: As Cholera Surges Again, UN and Partners Double Down on Vaccination Efforts," *UN News*, October 2, 2018.

⁵ "UNHCR Operational Update: Yemen," UNHCR, December 14, 2018.

Stabilize a Plunging Yemeni Currency and Weak Central Bank to Tackle the Humanitarian Crisis

“For humanitarian support to succeed, give us access and take away restrictions.”

– Lise Grande, United Nations Resident Coordinator in Yemen

Despite the ongoing conflict in Yemen, several measures could immediately be taken to address the humanitarian crisis. Ensuring the continued provision of humanitarian and commercial goods is of paramount importance, Timothy A. Lenderking, the deputy assistant secretary for Arabian Gulf Affairs for the Bureau of Near Eastern Affairs at the U.S. Department of State, argued. He called on all parties to help facilitate the visas and travel of humanitarian actors, and to avoid actions that interfere with humanitarian efforts. “For humanitarian support to succeed, give us access and take away restrictions,” the United Nations Resident Coordinator in Yemen Lise Grande insisted. Because of access problems and insecurity, there are only approximately 160 international U.N. staff members in the whole country. Compared to the scale of the crisis, this is proportionally among the lowest numbers of staff in-country of all U.N. operations. “In 2019, we need to scale up and help 4 million more Yemenis in addition to the 8 million we support today,” Grande emphasized, calling for increased financial support.

However, beyond limitations of access and humanitarian aid capacity, macroeconomic problems are key to the spiraling humanitarian crisis. Yemen continues to import more food commercially than what it gets through humanitarian channels. Starvation is not the result of a lack of supply, but of a plunging Yemeni riyal, which has caused food prices to soar. “Even when food is available, few can afford it,” Elizabeth

Starvation is not the result of a lack of supply, but of a plunging Yemeni riyal, which has caused food prices to soar.

Dickinson, senior analyst for the Arabian Peninsula at the International Crisis Group, noted. Yemen’s currency has severely depreciated since the start of the conflict, and by September 2018, the exchange rate for the Yemeni riyal had almost tripled.⁶

This rapid depreciation has not only drained Yemeni families’ savings, it has also had a direct impact on humanitarian assistance. For instance, the World Bank and UNICEF have done extensive work to provide cash support to former Social Welfare Fund beneficiaries. Established in the mid-1990s, the Social Welfare Fund, a national cash transfer program, had played an important role in the country’s social protection system. “Recipients of the social welfare transfers, which averaged \$23 per month per household, have seen their income cut by more than 70 percent within a few months. No matter how much humanitarian assistance the international community can summon, it won’t be enough if we keep ignoring the macroeconomic challenges,” Ala Qasem, co-founder of DeepRoot Consulting, stressed.

A responsible and capable management of monetary policy could have prevented this depreciation. But the Central Bank of Yemen is not in full control. Despite several cash infusions from Saudi Arabia (the last was \$200 million in October 2018) to help shore up the

⁶ “Yemen: Exchange Rates and Inflation Trends,” OCHA, September 5, 2018.

Yemeni currency, the riyal hasn't stabilized. Moreover, the 2016 relocation of the central bank from the Houthi-controlled capital of Sanaa to the southern port city of Aden (the de facto capital of the internationally recognized government backed by Riyadh) undermined the trust of people and investors in the financial sector, while creating a dual fiscal policy, one in Aden and the other in Sanaa. Qasem predicted that as long as there are two such entities, "we will continue to see this volatility." Reunification of the central bank should thus be one of the top priorities of any economic-stabilization effort.

After the central bank's move to Aden, salary payments to most government employees stopped. About 1.25 million civil servants haven't been paid or have intermittently received salaries since 2016. They are estimated to be the sole breadwinners for a quarter of the population.⁷ "Ending salary payments caused a widespread crisis in personal wealth and led to the crumbling of state institutions and services," Dickinson indicated. "Cleaning" the public servants' payroll of ghost workers and others should also be a priority.



Lise Grande, United Nations Resident Coordinator in Yemen

In addition to structural factors, several policies of the Yemeni government have exacerbated the crisis. The most problematic may be Decree 75, a regulation that requires all merchants to secure a letter of credit from the central bank to import commodities. Dickinson mentioned that that measure resulted in a drastic reduction in imports, until U.N. lobbying efforts provoked a partial lift of the decree for food commodities. Yet, it is still in force for fuel, a vital resource in Yemen, especially since it is used to run sanitation facilities. As cholera continues to plague the country, limited access to fuel could potentially trigger another outbreak.

Taking Small Steps and Achieving Quick Tangible Results

"Because of instability and ineffective government, we lost \$815 million in private sector investments. We are leaking our own resources."

– Ala Qasem, Co-founder, DeepRoot Consulting

Past experiences and failures have informed the way postconflict stabilization efforts are being imagined, not only at the United Nations and U.S. Department of State, but also at the local level. Taking small, simple, and pragmatic steps to achieve quick, tangible results is crucial to achieve any success.

⁷ ["About Yemen,"](#) OCHA, accessed Jan. 14, 2019.

Following quickly behind any peace agreement, the Yemeni population must experience a rapid improvement in living conditions. Reflecting on experience from the National Dialogue Conference, from March 18, 2013 to January 25, 2014, Mohammed Abulahoum, chairman of Yemen's Justice and Building Party, observed that while everyone was busy with the political process, citizens did not feel any improvement in their lives. On the contrary, basic services deteriorated, security got worse, and unemployment skyrocketed.

Recovery efforts should focus on small but much-needed projects, like improving access to water, electricity, and sanitation systems as well as rebuilding municipal markets. "We need to think small so people in Yemen feel that their life is really and genuinely going to change for the better," Ambassador Stephen A. Seche, AGSIW executive vice president, underlined.

"Stabilization is short term and fast," according to Grande. She mentioned that it is not about doing everything at once – restructuring the judiciary, reforming the budgeting process, transforming political participation, and reorganizing the economy. While she agreed that these things are important and "crucial for helping to ensure that countries and communities are resilient and stable over the medium and long term," she indicated that "they require political consensus, serious planning, and major investments." Conversely, she noted that "stabilization is the stuff you do first, right away before peace is lost. It's about doing the handful of things that give people confidence that security, governance, and services are improving and that it's safe to start rebuilding their lives, families, and communities." She stressed that the government must act immediately following a peace agreement because "the longer people wait for things to improve, the greater the chance that spoilers prevail and conflict starts again."



Ala Qasem, Co-founder, DeepRoot Consulting

The United Nations is rethinking its own practices in this regard. Instead of building parallel emergency education and health structures, in Yemen it is working through the existing state system, avoiding the kind of slow and painful reinternalization process that delays recovery in so many postconflict countries.

In the postconflict moment, one of the most pressing issues for Yemeni authorities will be to find ways to rapidly generate national revenue.

In the postconflict moment, one of the most pressing issues for Yemeni authorities will be to find ways to rapidly generate national revenue. "We cannot only rely on Saudi deposits," Qasem argued. Among his suggestions were quickly restarting oil and gas exports and improving the collection of state revenue, for instance through customs fees, as well as providing adequate support to the private sector. "Instead of looking at additional sources of revenue, it is important to support the existing ones. Because of instability and ineffective government, we lost \$815 million in private sector investments. We are leaking our

own resources.”

The Yemeni authorities will also face the daunting task of generating employment, which will be vital for ensuring a stable Yemen and the success of any disarmament, demobilization, and reintegration efforts. Prior to the conflict, 4.2 million Yemenis were employed, with women accounting for only 7 percent. The vast majority of employment was in the informal sector at 73.2 percent. The unemployment rate was especially high among young people (15-24 years old), at about 25 percent, almost twice the national average.⁸ Getting the population to work on public infrastructure could be a way to provide immediate job opportunities. International organizations should also prioritize local hiring, a measure that is cost efficient and can have a stabilizing effect.

Establishing Pockets of Peace through Locally Negotiated Settlements

“Stabilization is going to happen piecemeal. We will have pockets of peace, like what we have seen in Syria, Iraq, and Libya. Then, the hope is that there will be a movement toward other areas.” – Denise Natali, Assistant Secretary, Bureau of Conflict and Stabilization Operations, U.S. Department of State

If moving quickly is a key component of stabilization, it should be tied to strategic calculations about clear political outcomes, according to Denise Natali, the assistant secretary for the Bureau of Conflict and Stabilization Operations at the U.S. Department of State. A lot of investment and preparation is needed to identify local and regional actors’ interests, as well as finding viable partners at the local level. Stabilization, Natali argued, is “a political endeavor that creates a condition in which local legitimate actors and structures can manage conflict and prevent a return to violence.” To handle this short-term operation, sequencing matters and planning should begin now. “We should be identifying who are the armed groups that are more amenable to put down their arms and be reintegrated.”

Yemen is likely to be dealing with partial and fragmented peace agreements before any integrated national solution is reached. “Stabilization is going to happen piecemeal. We will have pockets of peace, like what we have seen in Syria, Iraq, and Libya. Then, the hope is that there will be a movement toward other areas,” Natali also noted. The U.S. government will prioritize stabilization assistance to regions where legitimate actors and structures at the local level can be clearly identified. Dealing with pockets of peace is not without risk and can potentially result in fragmentation and exacerbated tensions as others feel their own hardships are not being addressed in equal measure.

Postconflict authorities in Yemen may have to reintegrate up to 1 million former combatants. This situation will require security sector reform and practical security arrangements that should be determined now. These arrangements will have to deal with insurgent forces regardless of their identity, taking into account the balance of power on the ground, Grande

⁸ International Labour Organization, *Yemen Labour Force Survey 2013-14* (Beirut: International Labour Organization, 2015), 40.

argued. Therefore, it is key to implement programs that can stop the expansion of these insurgent forces.

Multiple armed groups and the secessionist drift between North and South Yemen will present serious challenges to the reconstruction of a national army, according to Albadr Al Shateri, an adjunct professor at the National Defense College of the United Arab Emirates. Past experiences of integrating armed groups into local and national security forces show mixed success, especially in contexts that lack a strong central authority. Referring to the more promising example of Nigeria, Natali argued that attention to employment rates and alternative sources of revenue for armed groups may be key to the success of a disarmament, demobilization, and reintegration program in Yemen. Mohammed Baharoon, director general of the Dubai-based think tank b'huth, argued that such efforts should account for the importance of gun ownership in Yemeni cultural identity. Much more threatening than gun ownership, according to Baharoon, would be the formation of armed groups in support of political movements that could result in the creation of “another Hezbollah.”



Denise Natali, Assistant Secretary, Bureau of Conflict and Stabilization Operations, U.S. Department of State

Establishing a Legitimate Government and Redesigning Institutions

Because of bitterness and ill will, all kinds of scenarios are on the table.

– Albadr Al Shateri, Adjunct Professor, UAE National Defense College

Participants also discussed the proper timing of elections in the postconflict period. Abulahoum warned against the danger of rushing the electoral process, noting multiple occurrences around the world where ill-prepared elections in postwar contexts resulted in a resurgence of violence and conflict. Instead, transition authorities should only hold elections after sufficient focus on participation and accountability ensures their peaceful organization. For Abulahoum, a legitimate transitional government will have to include all Yemeni factions such as the Houthis, the General People’s Congress, Southern groups including the Southern Transitional Council, and independents. Its role will be to contribute to stability, enhance confidence among conflicting groups, and build trust with the regional neighbors.

Both the government of Yemeni President Abd Rabbu Mansour Hadi and the Houti movement have been discredited by their participation in the war, and a new political landscape is likely to emerge in the future, Abulahoum said. Several participants predicted that traditional political parties will lose their dominance over Yemeni politics and that new independent figures will emerge after the war. One participant commented, “The Yemeni political elite [has been] full of conflicts [for] decades. They put us into the war. How could they bring us to the peace?”

Reconstruction periods often offer opportunities to redesign state institutions. Qasem pointed out some issues related to the intricacies of prewar Yemeni bureaucratic practices and possibilities for simplification and reform in the future, including through collaborations with the private sector and nongovernmental organizations. The private sector has functioned more effectively during the conflict than state institutions have and a postconflict government would gain from imagining broad synergies and public-private partnership policies. Just as important for the recovery period is to address the lack of trust between local populations and the central government. Therefore, the empowerment of local authorities and their full inclusion in recovery processes should be of primary concern.



Albadr Al Shateri, Adjunct Professor, UAE National Defense College

The intensity of centrifugal forces creates the real possibility that Yemen will not emerge from the war as a unified state. Grievances against unification are deep, especially in Southern Yemen, where fears of a Northern domination are profoundly rooted. “When I speak to South Yemenis about the North, they feel the same way Palestinians feel towards Israelis,” Shateri mentioned. Because of bitterness and ill will, all kinds of scenarios are on the table, from a federal model to a confederation model, Shateri added.

Investing in Yemen’s Main Assets

The Yemeni diaspora is another great asset of the country and an important source of stability.

Oil has long been the main source of revenue for Yemen, but the sector now requires further onshore and offshore explorations. Even if oil reserves have the potential to attract foreign investments in the future, it is unlikely that any substantial investment will happen before full security is restored. Baharoon envisioned alternative opportunities in the energy sector, such as progressive integration of Yemen into the Gulf Cooperation Council electricity grid and locally run renewable energy facilities like small solar farms in the desert.

Agriculture, animal husbandry, fisheries, and similar sectors would benefit from more attention and support. As of September 2018, about 45 percent of Yemeni employment was in agriculture.⁹ Financing new advanced farming technologies and techniques would improve local production and help reduce food imports (even before the conflict, Yemen imported 90 percent of its food¹⁰). While fisheries are important in Yemeni subsistence, industrial methods account for only a small percentage of the catch. There is certainly room for development in

⁹ “[Yemen: Employment in Agriculture](#),” The World Bank, September 2018.

¹⁰ “[Missiles and Food: Yemen’s Man-Made Food Security Crisis](#),” OXFAM, December 2017.

this sector. Already 23 Yemeni companies have been certified to export fish to the European Union. Yemen could increase export earnings by establishing facilities to process fishery and agricultural products that would increase their value.

Yemen's deep-water ports also have strong potential. Aden, strategically located at the junction of the Red Sea and the Indian Ocean, could serve as a maritime hub between Asia, Africa, and the Middle East. The UAE is well-positioned to develop the port infrastructure necessary to actualize that potential.

The Yemeni diaspora is another great asset of the country and an important source of stability. Yemeni expatriates contributed over \$3.7 billion in personal remittances in 2016 and over \$3.3 billion in 2017, according to the World Bank.¹¹ But with a weak central bank and fears of money laundering and terrorism financing, transferring money through formal channels has proved challenging. Participants suggested that international organizations and regional actors could set up innovative insurance mechanisms to protect investors.

Yemeni expatriates contributed over \$3.7 billion in personal remittances in 2016 and over \$3.3 billion in 2017, according to the World Bank.

Gulf countries have a role to play in supporting the Yemeni diaspora. Yemen has been an important labor reservoir for its oil-producing neighbors, particularly Saudi Arabia, for the past 60 years. Today, around 1 million Yemenis live in Saudi Arabia and about 100,000 live in the UAE. An estimated 90 percent of total remittances to Yemen have originated in GCC countries, particularly Saudi Arabia.¹² However, labor reforms tied to Vision 2030 and an emphasis on hiring Saudi citizens in the kingdom could reduce remittances in the future. As an effort to tackle the country's high levels of unemployment among Saudi citizens, the kingdom has deported hundreds of thousands of Yemenis since 2017.

Shateri suggested that Gulf countries trying to regulate their labor markets could make exemptions for Yemeni and Syrian migrants. Asked if Gulf countries could support the recovery by hiring extra labor from Yemen, he stressed the security problem. Security background checks on Yemenis are unreliable and the neighboring Gulf states fear that extremists could enter their countries. But recruiting high-skilled workers might be an option. Yemen began a program in 2008 to build the capacity of 100,000 Yemeni workers to fit specific positions in the Gulf market that could serve as a model. A trade agreement with Gulf countries to encourage Yemeni imports and build the country's capacity to produce goods needed in the region could be another avenue to explore.

¹¹ "Yemen: Personal Remittances, Received," The World Bank, accessed January 10, 2019.

¹² "Yemen Socio-Economic Update 2018," Ministry of Planning and International Cooperation 32 (February 2018).

Assessing the Role and Interests of Regional and International Partners

“The responsibility of a stable and prosperous Yemen does not lie with Yemeni citizens only.” – Mohammed Abulahoum, Chairman, Justice and Building Party, Yemen

The U.S. government is prepared for a sustained and strong presence in Yemen, Lenderking said. He underlined that on political and humanitarian matters, U.S. authorities are in constant dialogue with the Saudi coalition leadership and the Yemeni government to ensure a communion of views. Lenderking made clear that the United States, together with its partners in the Saudi-led coalition, wants to “close the space for malign Iranian influence as the war winds down.” He also highlighted the need to focus on counterterrorism and address the risks that Yemen’s resident violent extremist organizations, such as Al-Qaeda in the Arabian Peninsula, present to stabilization efforts. The United States supports programs initiated by the coalition to develop Yemeni security forces’ capacities and help them fight against violent extremism and terrorism networks in the country.

Saudi Arabia’s territorial integrity is of particular concern to the U.S. government and the coalition members. More than the rivalry with Iran, national security concerns emerging from the shared border with Yemen motivate Saudi involvement in the conflict. “A stable Yemen means a stable Saudi Arabia,” Baharoon insisted. Further, a sustainable peace in Yemen would benefit the broader region and the whole world. A stable Yemen could benefit India, China, Japan, the Horn of Africa, and Europe, Baharoon added. It could also pave the way to an economic integration within the GCC. According to Abulahoum, “Regional and international powers will have to help Yemen [address] key issues like power and wealth sharing. The responsibility of a stable and prosperous Yemen does not lie with Yemeni citizens only.”

Thinking about what a reconstruction authority could look like, Seche suggested that it should include the “quad” (the United States, the United Kingdom, the UAE, and Saudi Arabia), together with the United Nations, the World Bank, other major donor countries, and the national government that will emerge in Yemen. But he warned: This overarching reconstruction authority should have direct ties to local authorities and should rely on a bottom-up reconstruction process. “Nothing would be less effective than Yemenis seeing the international community coming into their country and dictating what needs to be done to rebuild their life.” Sharing the burden of reconstruction and coordinating the transition toward sustainable peace needs to be approached both internally among Yemeni actors, but also internationally. “We have to divide the labor and make sure



Mohammed Abulahoum, Chairman, Justice and Building Party, Yemen

that we are not duplicating, but enhancing each group's capabilities," Natali concluded.

Conclusion

Reconstructing Yemen will be a daunting task. And though a political settlement has not yet been reached, it is not too early to address reconstruction's many challenges. Better economic governance will be crucial not only to address the weaknesses of the Central Bank of Yemen but also to better support the private sector, which has functioned more effectively during the conflict than state institutions have. Pressing needs include finding new ways to rapidly generate national revenue and maximizing the value of Yemen's assets like agriculture, fisheries, deep-water ports, and a large and engaged diaspora.

Significant security challenges lie ahead, notably the reintegration of an estimated 1 million former combatants. A successful disarmament, demobilization, and reintegration program will require security sector reform as well as efforts to generate employment and provide alternative sources of revenue for former combatants. Yemen is likely to be dealing with partial and fragmented settlements before any integrated national solution is reached. Therefore, stabilization assistance must target regions where legitimate actors and structures at the local level can be clearly identified, without alienating the populations of other regions.

Many questions remain regarding the future political landscape of Yemen. The intensity of centrifugal forces creates the real possibility that the country will not emerge from the war as a unified state. It is also very likely that traditional political parties will lose their dominance over Yemeni politics and that new independent figures will emerge after the war. Adequate time should be given before conducting elections in the postconflict period as an ill-prepared process in postwar contexts has often resulted in the resurgence of violence and conflict. The role of regional and international players has yet to be clearly defined, even if the United States, the United Kingdom, the UAE, and Saudi Arabia, together with the United Nations, the World Bank, and other major donors, will take part in the recovery efforts. This much is certain: The empowerment of local authorities and their full inclusion in recovery processes should be of primary concern.

Agenda

December 9, 2018

Opening Remarks

Ambassador Marcelle M. Wahba, President, Arab Gulf States Institute in Washington

Session I: Building a Lasting Peace

Moderator:

Mina Al-Oraibi, Editor in Chief, The National

Speakers:

Mohammed Abulahoum, Chairman, Justice and Building Party, Yemen

Timothy A. Lenderking, Deputy Assistant Secretary for Arabian Gulf Affairs, Bureau of Near Eastern Affairs, U.S. Department of State

Ambassador Stephen A. Seche, Executive Vice President, AGSIW

Session II: Regional Approaches to Postconflict Stability and Reconstruction

Moderator:

Hussein Ibish, Senior Resident Scholar, AGSIW

Speakers:

Mohammed Baharoon, Director General, b'huth

Lise Grande, United Nations Resident Coordinator in Yemen

Denise Natali, Assistant Secretary, Bureau of Conflict and Stabilization Operations, U.S. Department of State

Session III: Developing Yemen's Assets

Moderator:

Phil Dufty, Director of Research and Analysis, Emirates Diplomatic Academy

Speakers:

Elizabeth Dickinson, Senior Analyst for the Arabian Peninsula, International Crisis Group

Albadr Al Shateri, Adjunct Professor, UAE National Defense College

Ala Qasem, Co-founder, DeepRoot Consulting

UAESF 2018 in Pictures



(Clockwise from top left) Elizabeth Dickinson, senior analyst for the Arabian Peninsula at the International Crisis Group, speaks during Session 3; Copies of "The Geoeconomics of Reconstruction in Yemen" at the UAE Security Forum 2018; Timothy A. Lenderking, deputy assistant secretary for Arabian Gulf Affairs for the Bureau of Near Eastern Affairs at the U.S. Department of State, speaks during Session 1; (from left) Mina Al-Oraibi, Timothy A. Lenderking, Mohammed Abulahoum, and Ambassador Stephen A. Seche during Session 1; UAE Security Forum guests

UAESF 2018 in Pictures



(Clockwise from top) (from left) Hussein Ibish, Mohammed Baharoon, Denise Natali, and Lise Grande during Session 2; UAE Security Forum guests; (from left) Phil Dufty, Elizabeth Dickinson, Ala Qasem, and Albadr Al Shateri during Session 3; Audience at the UAE Security Forum 2018

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