



February 2012

# Uncertain Political and Security Situation Challenges U.S. Efforts to Implement a Comprehensive Strategy in Yemen



**G A O**

Accountability \* Integrity \* Reliability



United States Government Accountability Office  
Washington, DC 20548

---

February 29, 2012

Congressional Committees

Subject: *Uncertain Political and Security Situation Challenges U.S. Efforts to Implement a Comprehensive Strategy in Yemen*

Yemen is an important U.S. partner in the fight against terrorism and violent extremism. According to U.S. officials, al Qaeda in the Arabian Peninsula (AQAP)—which is based in Yemen—is one of the top national security threats facing the United States. AQAP has shown the intent and capability to carry out attacks against U.S. targets both in Yemen and in the United States, including the September 2008 bombing of the U.S. embassy in the Yemen capital, Sanaa, and the failed attempts to blow up a U.S.-bound airplane in December 2009 and to send packages containing explosives on two separate airplanes bound for the United States in October 2010. Further, Yemen faces severe economic and social challenges, such as escalating unemployment at a time when over half of the population is under 18 years old. These challenges have not only made the country internally unstable, they have also created an attractive environment for recruiting militants. As a result, in recent years, U.S. policymakers have dedicated greater attention and resources to addressing threats emanating from Yemen.

Recognizing both the variety of threats emanating from Yemen, as well as the significant increase in U.S. assistance to Yemen, a Senate report directed the Comptroller General to, among other things, review this assistance.<sup>1</sup> This report describes (1) U.S. strategies and activities for assistance to Yemen and (2) the amounts and types of assistance that the U.S. government has provided to Yemen since fiscal year 2007. This description does not include information related to any covert activities that the United States may fund in Yemen. To address these objectives, we analyzed budget and financial data from the Department of State (State), the U.S. Agency for International Development (USAID), and the Department of Defense (DOD), which have provided the vast majority of U.S. assistance to Yemen. In addition, we reviewed governmentwide and agency-specific documents related to assistance to Yemen and interviewed relevant officials from each agency. Enclosure I contains additional information on our scope and methodology.

---

<sup>1</sup>Senate Report 111-201, which related to the Ike Skelton National Defense Authorization Act of 2011, Pub. L. No. 111-383, Jan. 7, 2011, directed the Comptroller General to report on several questions pertaining to Yemen. Given the country's political unrest and deteriorating security situation throughout 2011, we worked with the appropriate congressional committees to agree upon a two-phased reporting process. In this first phase, we assessed assistance strategies and plans, as well as amounts and types. We agreed to perform additional work at a later date as the security situation allows and in consultation with the appropriate congressional committees.

We conducted this performance audit from August 2011 to February 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Summary

According to senior State officials, the overarching U.S. policy goal in Yemen is to create a stable and secure state. To achieve that goal, the U.S. assistance strategy has for years included both a security element focused on counterterrorism activities and a civilian element focused on development activities. In 2009, in response to the increasing economic, social, and political challenges facing Yemen, the U.S. government undertook a comprehensive review of its policy toward Yemen. This review led to a whole-of-government strategy that still includes both security and civilian assistance, but that, according to U.S. officials, is more integrated than in prior years. The strategy seeks to simultaneously address security needs as well as the underlying economic, social, and political grievances that can lead to violent extremism. U.S. officials told us that assistance activities under this strategy have had to adjust to the changing security situation on the ground. Further, officials told us they have recently begun reviewing the strategy itself in light of the political changes under way in Yemen.

Since fiscal year 2007, U.S. agencies have allocated more than \$642 million in security<sup>2</sup> and civilian assistance to Yemen. Specifically, DOD, State, and USAID have allocated approximately \$326 million for security assistance and more than \$316 million for civilian assistance. Allocations reached their peak in fiscal year 2010, after a failed bomb attack on a U.S.-bound airline by a Yemeni-trained Nigerian citizen in December 2009. In fiscal year 2011, however, allocations declined sharply due primarily to the political turmoil in Yemen and the difficulty of implementing training and equipping programs in such an environment, according to U.S. officials.

## Background

Yemen is the most impoverished country in the Middle East and North Africa region, faced with numerous economic and social challenges. With a mostly mountainous interior, the country has a scarcity of natural resources and is facing both severe water and fuel shortages. Oil is Yemen's primary export, but oil production is in a steady decline. U.S. officials estimate that at least 43 percent of the population lives on less than \$2 per day. More than half of the population of 23 million is under 18 years of age, and, according to UN estimates, the total population is projected to double before the year 2040. At the same time, the UN estimates that the unemployment rate for youth is 53 percent, and the overall illiteracy rate in Yemen is over 47 percent. USAID's 2010-2012 Yemen Country Strategy reports that the capacity of the Yemeni government to provide services is weak and is further undermined by widespread corruption and the growing population pressure. Moreover, internal conflicts have created over 400,000

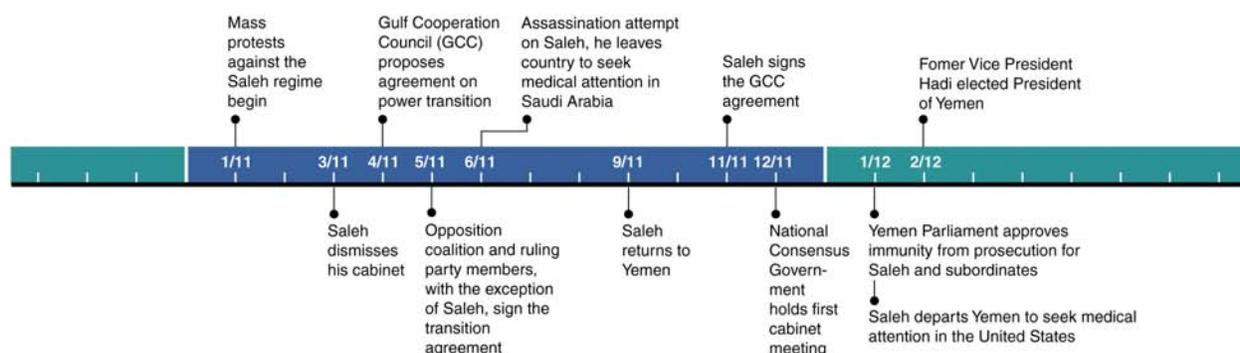
---

<sup>2</sup>State and DOD officials told us that there is no consensus about whether some funding accounts that support security cooperation or security sector reform should be labeled "assistance". For the purposes of this report, however, we consider those accounts that funded overt security-related activities in Yemen to be security assistance. Specifically, these funding accounts include: Foreign Military Financing, International Narcotics Control and Law Enforcement, International Military Education and Training, Nonproliferation, Antiterrorism, Demining and Related Programs, and Section 1206 Authority.

internally displaced persons throughout Yemen in need of not only basic government services but also humanitarian assistance.

These economic and social challenges are exacerbated by the political tensions Yemen has experienced for years. Since shortly after the unification of North Yemen and South Yemen in 1990, the government has countered secessionist movements in the south. In addition, the government has had long-standing conflicts with various tribes, most notably with the Houthi tribe in the north. Beginning in early 2011, mass protests against the 33-year regime of President Ali Abdullah Saleh added to the unrest in the country (see fig. 1). Many of these protests ended in bloodshed when government troops fired on the protestors or clashed with troops that had sided with the protestors. In late November, after repeated vows to step aside, Saleh signed an agreement put forth by the Gulf Cooperation Council<sup>3</sup> laying out a transfer of power to his Vice President and calling for elections within 90 days. Protests have continued, however, over the agreement's immunity provision for Saleh and his subordinates.

**Figure 1: Recent Yemeni Political Events (2011-2012)**



Source: GAO analysis of State and other public information.

Various U.S. agencies have worked with the government of Yemen to try to address these economic, social, and political challenges. In particular, State and USAID have led development and humanitarian activities while State and DOD have conducted counterterrorism activities. Amidst the political turmoil of 2011, the Yemeni government struggled to address the terrorist challenges throughout the country, although it increased its cooperation with the United States on intelligence sharing and counterterrorism operations, according to U.S. officials.

### **U.S. Assistance Strategy Emphasizes Both Security and Civilian Assistance**

U.S. assistance strategy and activities support the U.S. goal of a stable and secure Yemen. In 2009, the U.S. government undertook a comprehensive review of its policy toward Yemen. The result was an integrated strategy that emphasizes both security and civilian assistance. According to State officials, this assistance strategy is twofold as follows:

<sup>3</sup>The Cooperation Council for The Arab States of the Gulf, or Gulf Cooperation Council, was established in 1981 between the countries of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates. According to the Council's charter, its objectives include effecting coordination, integration and inter-connection between member states in all fields in order to achieve unity between them. The Gulf Cooperation Council is a regional common market with a defense planning council as well.

- *Strengthen Yemen's ability to promote security and minimize threats.* DOD security assistance activities have been focused on building Yemeni counterterrorism capacity. According to DOD officials, DOD's activities have helped its Yemeni counterparts take direct counterterrorism action, increase their border security, and build both airlift and maritime capacity. However, they also said that in 2011 DOD suspended the majority of its security-related activities due to the deteriorating security situation. For example, DOD officials told us they had to stop the large training component of their assistance, because it was no longer safe to keep the trainers in Yemen.
- *Mitigate economic crisis and governance deficiencies.* USAID has led the implementation of civilian assistance activities. Prior to 2010, USAID activities focused on sector-based development interventions, such as separate programs for health or education, in five remote, impoverished, rural governorates. Given the deteriorating security context and the escalating development challenges, USAID determined that a new stabilization approach was necessary, transitioning to more integrated activities addressing the key grievances and drivers of instability in targeted, disadvantaged communities. Under this strategy, for example, the Community Livelihoods Program brings programs for health, education, and poverty reduction together under one implementation mechanism. In addition, USAID shifted the geographic focus of its programs. According to USAID officials, the deteriorating security situation denied program implementers access to certain areas, and they could not travel or establish a long-term presence in more remote locales. As a result, USAID began to focus assistance activities on large urban areas, which were more secure and accessible. Officials added that the collapse of government services, decline in economic activity, and other drivers of instability were also greatest in these areas, providing USAID the greatest potential for maximizing the impact of its interventions.

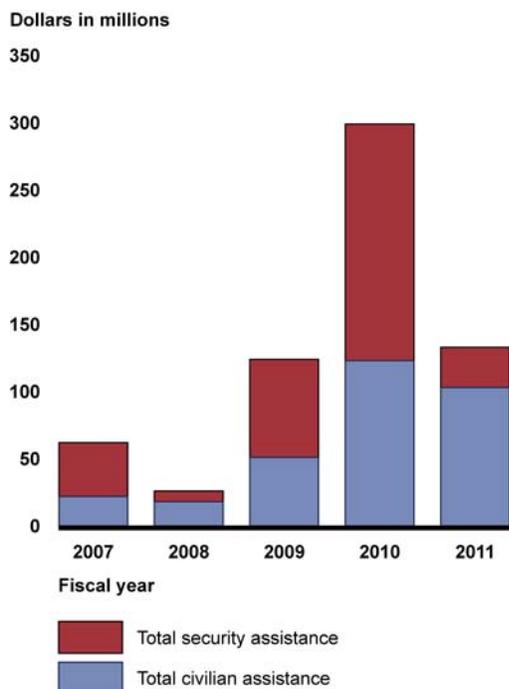
Given Yemen's ongoing political unrest and security situation, U.S. officials told us they are monitoring developments as they relate to future assistance activities. State and USAID officials said that the overall twofold U.S. assistance strategy continues to guide their planning, but that under a directive from the National Security Council, they have also recently begun a new interagency strategic development process. They expect this process to last several months and will allow agencies to react to the situation on the ground following the recent February 2012 presidential elections. DOD officials also said that once DOD is able to fully resume security assistance activities in Yemen, it will continue to work toward its goal of building Yemeni counterterrorism capacity. However, both State and DOD officials expressed some concerns about future security assistance activities, including identifying who will be the key U.S. partners in the Yemeni security forces. Until 2011, the United States trained and equipped specialized security forces focused on counterterrorism that members of the Saleh family led. While the implementing mechanism for the Gulf Cooperation Council political transition agreement calls for the reorganization of the armed services, it is unclear how or when the military will be reorganized and who will lead it.

### **U.S. Agencies Have Allocated More Than \$642 Million in Security and Civilian Assistance to Yemen Since Fiscal Year 2007, Peaking in 2010**

Against the backdrop of security threats and worsening economic and humanitarian conditions, DOD, State, and USAID have allocated more than \$642 million in security and civilian assistance to Yemen since fiscal year 2007 (see fig. 2). Security assistance has focused largely on counterterrorism and border security activities, including training and the provision of transport planes and helicopters, spare parts, and ammunition. Civilian assistance has sought to

address economic, social, and political inequities largely through development and humanitarian activities targeted at vulnerable populations. (See enclosure II for more detailed information on U.S. security and civilian assistance since fiscal year 2007.)

**Figure 2: Total Allocations of U.S. Assistance to Yemen, Fiscal Years 2007–2011**



Source: GAO analysis of DOD, USAID, and State data. Figures for fiscal years 2007-2011 are current as of 9/30/11.

As shown in figure 2, allocations of U.S. assistance peaked in fiscal year 2010. U.S. officials told us the significant increase in fiscal year 2010 was largely in response to the attempted bombing of a U.S.-bound airplane on Christmas Day, 2009. In fiscal year 2011, however, overall allocations declined significantly. State and DOD officials said this decline was due primarily to the political turmoil in Yemen and the difficulty of providing training in an insecure environment. While many civilian assistance activities continued operating in 2011, DOD officials suspended the majority of security assistance activities. Despite continued political unrest and security concerns, agencies plan to provide significant security and civilian assistance to Yemen in both fiscal years 2012 and 2013.<sup>4</sup>

## Concluding Observations

Terrorist threats emanating from Yemen have been a concern to U.S. policymakers for more than a decade. To help the government of Yemen counteract the threat posed by AQAP as well as other crises, the United States has provided assistance in a variety of areas, including security assistance to Yemeni military and counterterrorism units. To mitigate the effects of economic and humanitarian crises facing Yemen, State and USAID have provided

<sup>4</sup>While the 2012 Appropriations Acts have passed Congress and were signed into law by the President, the agencies have decided allocations for some, but not all, of the relevant accounts for Yemen. The fiscal year 2012 numbers we include in enclosure II remain as estimates. Agency budget requests for fiscal year 2013 include increases in both bilateral security and civilian assistance over fiscal year 2011 actual allocations.

development, humanitarian, and other assistance. While the United States continued to provide assistance through 2011, and remains committed to assisting Yemen in 2012, instability in Yemen forced U.S. agencies to adjust and, in some cases, reduce, their planned assistance, according to U.S. officials. Significant uncertainties, however, persist regarding the outcome of the ongoing political transition in Yemen and the identity of future U.S. partners in Yemeni security forces. These uncertainties may present challenges to U.S. agencies in developing appropriate assistance plans and delivering assistance in support of U.S. policy goals.

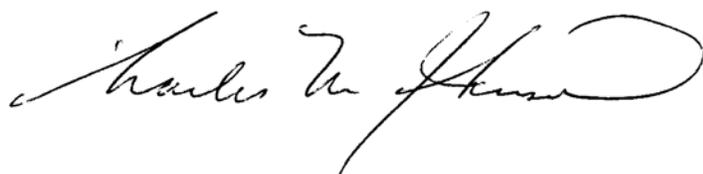
### **Agency Comments**

We provided a draft of this report to DOD, State, and USAID for review. None provided formal comments, although each one provided technical comments, which we have incorporated where appropriate.

- - - - -

We are sending copies of this report to the appropriate congressional committees, the Secretaries of Defense and State, and the Administrator of USAID. The report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have any questions about this report, please contact me at (202) 512-7331 or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in enclosure IV.



Charles Michael Johnson, Jr.  
Director, International Affairs & Trade

Enclosures (4)

*List of Committees*

The Honorable Carl Levin  
Chairman  
The Honorable John McCain  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable John F. Kerry  
Chairman  
The Honorable Richard G. Lugar  
Ranking Member  
Committee on Foreign Relations  
United States Senate

The Honorable Howard P. McKeon  
Chairman  
The Honorable Adam Smith  
Ranking Member  
Committee on Armed Services  
House of Representatives

The Honorable Ileana Ros-Lehtinen  
Chairman  
The Honorable Howard L. Berman  
Ranking Member  
Committee on Foreign Affairs  
House of Representatives

## Scope and Methodology

To describe U.S. strategies and activities for assistance to Yemen, we reviewed relevant documents from the Department of State (State) and the U.S. Agency for International Development (USAID) including Mission Strategic and Resource Plans and Operational Plans for fiscal years 2007–2012. We also interviewed relevant officials from State, USAID, and the Department of Defense (DOD) in Washington, D.C.

To describe the amounts and types of assistance that the U.S. government has provided to Yemen since fiscal year 2007, we analyzed budget and financial data, including Congressional Budget Justifications, from State, DOD, and the USAID Mission in Sanaa. In particular, State provided data on the status of allocations, obligations, unobligated balances, and disbursements as of September 30, 2011, for all of the funding accounts that support civilian assistance in Yemen, as well as those security assistance accounts that State administers (Foreign Military Financing; International Narcotics Control and Law Enforcement; International Military Education and Training; and Nonproliferation, Antiterrorism, Demining and Related Programs). State collected the data directly from each account’s manager if it was a State-implemented account and from the USAID Mission if it was a USAID-implemented account. DOD collected and provided data on the security-related accounts that DOD implements. All data are on overt activities and are nominal numbers that have not been adjusted for inflation. Recognizing that different agencies may use slightly different accounting terms, we provided each agency with the definitions from GAO’s *A Glossary of Terms Used in the Federal Budget Process* ([GAO-05-734SP](#)) and requested that each agency provide the relevant data according to those definitions. To assess the reliability of the data provided, we requested and reviewed information from officials from each agency regarding the agency’s underlying financial data system(s) and the checks, controls, and reviews used to ensure the accuracy and reliability of the data provided. For purposes of this report, we determined that the data provided were sufficiently reliable.

For the detailed account information we include in this report’s enclosures, we chose a selection of accounts that included consideration of these factors: (1) the overall level of assistance provided to Yemen since fiscal year 2007 (2) significant shifts or changes in funding levels between fiscal years, and (3) category or type of assistance (i.e., security, civilian, bilateral, and humanitarian, etc.).

We conducted this performance audit from August 2011 to February 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



**Enclosure II**

**Overview: U.S. Security Assistance to Yemen**  
 U.S. Agencies Provided Over \$326 million from Fiscal Years 2007 through 2011

**Security Assistance Background**

DOD and State provided security assistance to Yemen primarily in the form of counterterrorism and border security training and equipment. The major sources of funding for security assistance come from Section 1206 Authority and Foreign Military Financing, with a large increase estimated for International Narcotics Control and Law Enforcement funds in fiscal year 2012. DOD and State estimate over \$36 million in bilateral security assistance for fiscal year 2012 but have not yet determined the level of assistance from Section 1206 Authority.

**Contingency Security Assistance<sup>1</sup>**

Funding from Section 1206 Authority makes up the contingency security assistance going to Yemen and is intended to address U.S. military priorities and urgent and emergent counterterrorism and stabilization needs. From 2006—when the 1206 Authority was established—through 2010, Yemen was the largest overall recipient of 1206 funds globally.

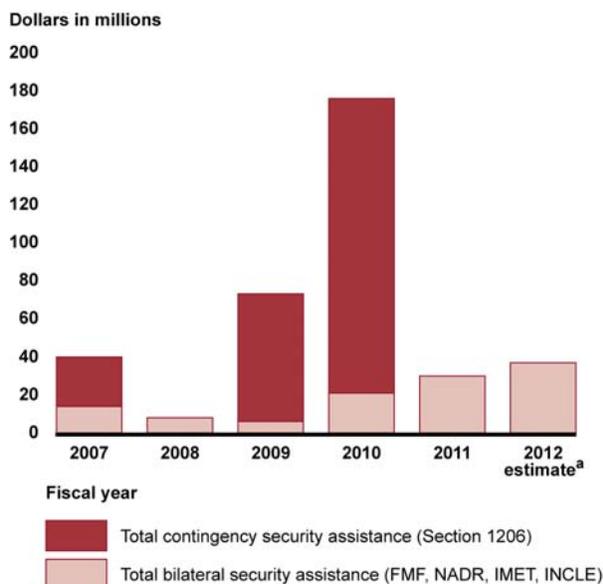
**Bilateral Security Assistance**

This assistance is made up of a number of accounts and programs with various goals. However, State and DOD officials told us that the central focus of bilateral security assistance in Yemen has been to enable and assist the counterterrorism strategy currently in place.

The following slides will include more detailed information on Section 1206 Authority, Foreign Military Financing, and International Narcotics Control and Law Enforcement. Detailed tables for remaining accounts can be found in enclosure III.

From fiscal year 2007 through fiscal year 2011, total allocations of security assistance to Yemen were over \$326 million (see fig. 3). In 2010, security assistance to Yemen more than doubled as part of an effort to combat AQAP and, according to DOD officials, was primarily in response to the failed bomb attack on a U.S.-bound airplane by a Yemeni-trained terrorist. The main goal of security assistance has been to build the Yemeni government's CT capacity. Section 1206 Authority provided the majority of this assistance through fiscal year 2010, but provided no funds in 2011 due to the deteriorating security situation, according to DOD officials.

**Figure 3: Allocations of U.S. Security Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of DOD and State data. Figures for fiscal years 2007-2011 are current as of 9/30/11. Fiscal year 2012 estimates are current as of 2/13/12.

<sup>a</sup>Fiscal year 2012 estimates for Section 1206 are not currently available.

According to U.S. officials, security assistance to Yemen includes programs funded through the following appropriation accounts managed either jointly or separately by DOD and State.<sup>2</sup> (Dollar figures are total amounts allocated for fiscal years 2007-2011):

**Contingency Security Assistance**

- Section 1206 Authority (\$249 million)

**Bilateral Security Assistance**

- Foreign Military Financing (FMF) (\$48.9 million)
- Nonproliferation, Antiterrorism, De-mining, and Related Programs (NADR) (\$20.5 million)
- International Military Education and Training (IMET) (\$5.2 million)
- International Narcotics Control and Law Enforcement (INCLE) (\$3.2 million)

<sup>1</sup>For the purposes of this report, we use the term “contingency” to refer to accounts that are managed globally and do not typically request funds on a bilateral, country-specific basis

<sup>2</sup>State and DOD officials told us that there is no consensus about whether some funding accounts that support security cooperation or security sector reform should be labeled “assistance”. For the purposes of this report, however, we consider these accounts security assistance. These accounts do not include any covert, classified assistance that the United States may have provided.

# Security Assistance

## Section 1206 Background

State and DOD jointly administer Section 1206 assistance. Funded from the DOD operation and maintenance account, Section 1206 funds remain available for 1 year for obligation. Once the period of availability for new obligations expires, the funds are available for an additional 5 years to liquidate the obligations.<sup>3</sup>

The National Defense Authorization Act for fiscal year 2006, as amended, established the authority for Section 1206 programs to train and equip foreign military and nonmilitary maritime forces, such as coast guards, to conduct counterterrorist operations or to support military and stability operations in which the U.S. armed forces are a participant.<sup>4</sup>

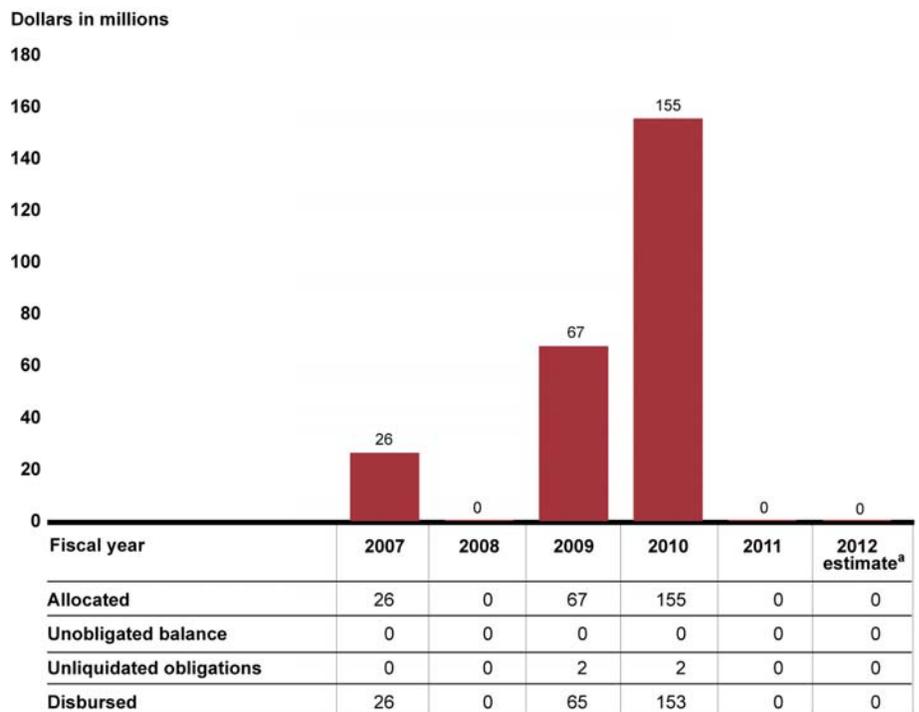
Beginning in fiscal year 2009, Section 1206 funding became a significant source of U.S. security assistance to Yemen. The majority of Section 1206 assistance, over 60 percent, was allocated in fiscal year 2010. These funds were used to enhance the counterterrorism (CT) capability of Yemeni Special Operations Forces and to provide small airplanes and helicopters and other aircraft support to the Yemeni Air Force to enable it to support Yemeni CT units.

## Enclosure II

# Status of Funds: Section 1206 Authority

- From fiscal year 2007 through fiscal year 2010, State and DOD allocated a total of \$249 million in Section 1206 assistance for Yemen (see fig. 4 and table 1).<sup>5</sup> DOD reported that all allotted funds had been obligated and \$244 million had been disbursed. Funds remaining for disbursement from the unliquidated obligation total \$4 million.
- According to DOD officials, 1206 funds were not allocated to Yemen in fiscal year 2008 because other countries such as Pakistan took priority. Additionally, no allocation was made in fiscal year 2011 due to the political unrest that began early that year. Further, DOD put the delivery of a CN-235 aircraft and some other equipment on hold until U.S. officials determine that delivery is appropriate.
- State and DOD have not yet determined any 1206 allocation to Yemen for fiscal year 2012; funds for this account are requested globally, rather than on a country-specific basis. DOD officials said that a decision has not yet been reached about whether funds will be allotted to Yemen, but they are developing contingency plans for that possibility.

**Figure 4: 1206 Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of DOD data. Figures current as of 9/30/11.

<sup>a</sup>State and DOD have not yet determined any allocation to Yemen for FY 2012. 1206 funds are requested globally, rather than on a country-specific basis.

<sup>3</sup>Expired funds may also be used for certain contract modifications.

<sup>4</sup>National Defense Authorization Act for Fiscal Year 2006, Pub. L. No. 109-163, Jan. 6, 2006.

<sup>5</sup>Figures here may differ slightly from table below due to rounding errors.

**Table 1: 1206 Programs by Fiscal Year of Allocation from 2007 through 2010, as of 9/30/11 (Dollars in millions)**

DESCRIPTION	Value of defense articles and training
<b>Fiscal year 2007</b>	
<b>Counterterrorism Units and Mobile Training Teams:</b> This program was intended to enhance Yemen's border security capability. It included equipment such as cargo transport vehicles, infantry light armored vehicles, light tactical wheeled vehicles, spare parts, crisis action center equipment, and transportation.	\$26
<b>Fiscal year 2009</b>	
<b>Aerial Surveillance Counterterrorism initiative:</b> This program was designed to build the capacity of the Yemini Air Force to conduct CT operations by providing aerial surveillance capability for internal stability and combating terrorism within and at its borders. It included helicopter spare parts and surveillance cameras.	\$5.9
<b>Counterterrorism Initiative for Increased Border Security:</b> This program was designed to provide the Yemeni Border Security Force with the capability to deter, detect, and detain terrorists along the Yemen, Saudi Arabia, and Oman borders. It included trucks, radio systems and operations/maintenance training.	\$25.4
<b>Coast Guard Patrol Maritime Security Counterterrorism Initiative:</b> This program is intended to enhance Yemeni Coast Guard capability to provide internal stability and CT within its territorial waters. It is intended to help build the capacity of Yemen's maritime security forces to conduct CT operations by providing equipment and training to the Yemeni Coast Guard to improve its ability to identify, detain, and apprehend terrorists, and to respond to terrorist incidents within its area of responsibility. Some training and/or deliveries are still pending for this program.	\$30.1
<b>Explosive Ordnance Disposal Counterterrorism Initiative:</b> This program is intended to assist Yemen's Ministry of Defense in improving its improvised explosive device ordnance mitigation and response to counter resurgence in terrorist activity. Some training and/or deliveries are still pending for this program.	\$5.8
<b>Fiscal year 2010</b>	
<b>Special Operations Force Counterterrorism Enhancement Package:</b> This program is intended to improve tactical effectiveness of Yemeni Special Operations Force (YSOF). The program was intended to build the capacity of Yemen's national military forces to conduct CT operations by providing equipment and training to enhance the YSOF's mobility, situational awareness, survivability, communications, and tactical proficiency in support of YSOF's CT mission. It includes vehicles, weapons, ammunition, and night vision goggles. Some training and/or deliveries are still pending for this program.	\$34.5
<b>Rotary-Wing Medium Lift:</b> This program is intended to help build the capacity of Yemen's national military forces to conduct CT operations by providing equipment and training to increase Yemen's rotary-wing medium-lift capability. This program is intended to allow the Yemen Air Force to transport small units to participate in day- or night-time operations at high altitude. It includes Huey II helicopters (4), spare parts, maintenance and training. Some training and/or deliveries are still pending for this program.	\$82.8
<b>Fixed-Wing Tactical Heavy Lift:</b> This program is intended to provide equipment and training to improve the operational reach and reaction time of CT forces. Includes a CASS CN-235 aircraft for 51 troops, parts, tools, and maintenance. Some training and/or deliveries are still pending for this program.	\$38

Source: GAO analysis of DOD data.

# Security Assistance

## FMF Background

State administers FMF funding, with significant input from the embassies, DOD, and the regional military commands. DOD's Defense Security Cooperation Agency executes the program. This funding is available for obligation for 1 year<sup>6</sup> and is considered obligated upon apportionment based on annual appropriations bill language.<sup>7</sup> Once the period of availability for new obligations expires, the funds are available for an additional 5 years to liquidate the obligations.<sup>8</sup> The funds remain entirely within the U.S. government until the point at which payments are made to defense companies for goods and services rendered.

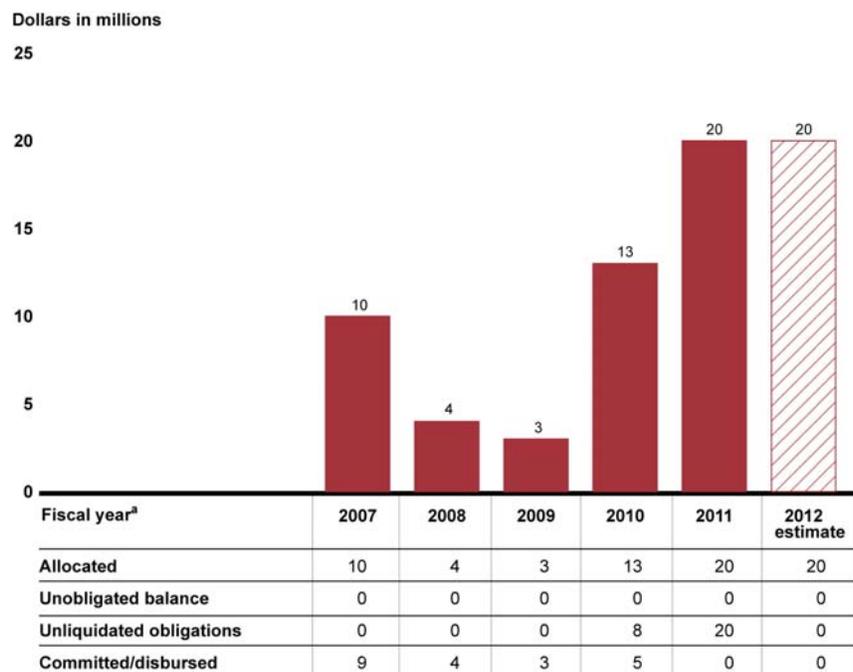
FMF provides grants and loans to foreign governments and international organizations for the acquisition of U.S. defense equipment, services, and training. In Yemen, FMF funds help Yemen's Air Force to sustain its two C-130H aircraft, as well as a handful of its serviceable F-5 fighter aircraft. The United States also has provided Yemen's Coast Guard with fast response boats (Archangel and Defender Class) using FMF grants. FMF funds also are used to supplement training for Yemen's Ministry of Interior Forces, specifically from the U.S.-funded Counter Terrorism Unit inside the Central Security Force.

## Enclosure II

# Status of Funds: Foreign Military Financing

- From fiscal year 2007 through fiscal year 2011, State allocated a total of \$49 million from this account for Yemen (see fig. 5).<sup>9</sup> State reported that all allocated funds had been obligated and \$21 million had been disbursed. Funds remaining for disbursement from the unliquidated obligation balance total \$28 million.
- According to DOD officials, the security situation on the ground in 2011 led to discussions about what would be appropriate to provide to Yemen. DOD put a hold on some deliveries but resumed delivering nonlethal items in September 2011.
- The estimated fiscal year 2012 funding would keep FMF funding to Yemen steady at \$20 million. Actual funding may vary from the amount estimated.

**Figure 5: FMF Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of State data. Figures for fiscal years 2007-2011 are current as of 9/30/11. Fiscal year 2012 estimates are current as of 2/13/12.

Notes : FMF funds are obligated at the same time they are apportioned.

<sup>a</sup>Figures in table may not sum correctly due to rounding error.

<sup>6</sup> According to agency officials, pursuant to authority generally provided in the annual Department of State, Foreign Operations and Related Programs Appropriations Act, certain funds that have been deobligated remain available for obligation for an additional four years from the date on which the availability of such funds would otherwise expire if the funds are initially obligated before they would have expired.

<sup>7</sup> Annual appropriations for FMF generally have contained language that states that FMF funds shall be obligated upon apportionment. For the most recent appropriations containing this language see the Consolidated Appropriations Act, 2012, Pub. L. No. 112-74, Dec. 23, 2011.

<sup>8</sup> Expired funds may also be used for certain contract modifications.

<sup>9</sup> Figures here may differ slightly from table below due to rounding errors.

# Security Assistance

## INCLE Background

State administers INCLE funding and uses it to assist the Government of Yemen in developing its law enforcement and judicial capacity. These funds are generally available for obligation for 2 years. Once the period of availability for new obligations expires, the funds are available for an additional 5 years to liquidate the obligations.<sup>10</sup>

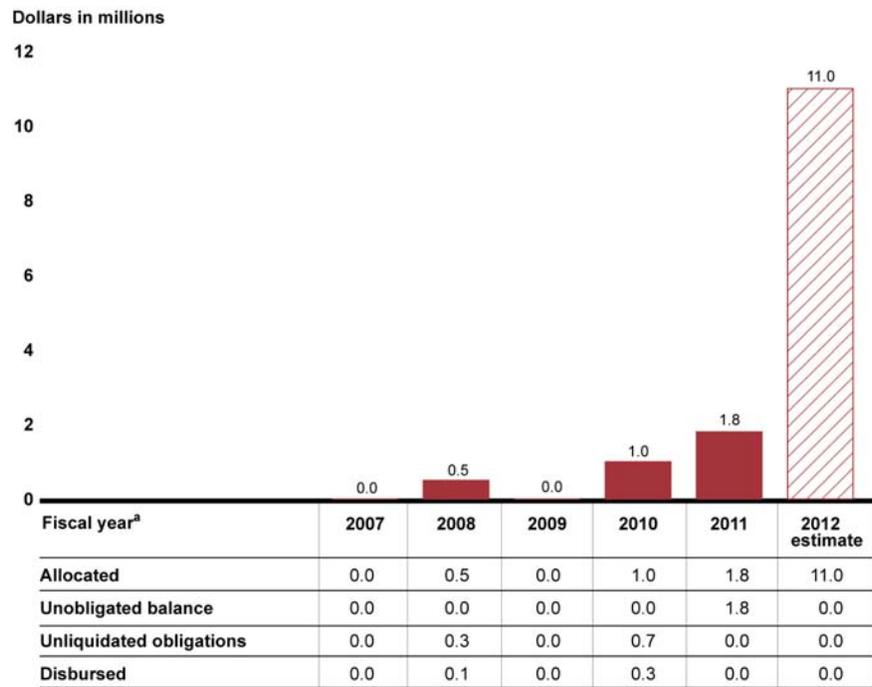
INCLE funding levels from fiscal years 2007 to 2011 were relatively low compared with the funding level requested for fiscal year 2012. State expects the 2012 funds to provide technical assistance, training, and equipment to Yemen's civilian law enforcement and judicial institutions. Specifically, State intends the funds to support efforts to enhance the Yemeni government's delivery of basic policing and justice services that respond to citizens' crime and public safety concerns, particularly in underserved regions, and that combat the influence of AQAP.

## Enclosure II

# Status of Funds: International Narcotics Control and Law Enforcement

- From fiscal year 2007 through fiscal year 2011, State allocated a total of \$3.3 million from this account for Yemen (see fig. 6). Of that amount, State reported that \$1.5 million had been obligated, and \$.4 million had been disbursed. Funds remaining for disbursement from the unliquidated obligation balance total \$1 million. From the fiscal year 2011 funding, \$1.8 million remains to be obligated.
- As of September 2011, State had not yet obligated or expended fiscal year 2011 INCLE funds due to political instability and the Embassy's ordered departure status from March-September 2011.
- The estimated fiscal year 2012 assistance would significantly increase INCLE funding to Yemen for programs that are intended to support efforts towards the development of a more responsive, professional, and accountable criminal justice system. Actual funding may vary from the amount estimated.

**Figure 6: INCLE Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of State data. Figures for fiscal years 2007-2011 are current as of 9/30/11. Fiscal year 2012 estimates are current as of 2/13/12.

<sup>a</sup>Figures in table may not sum correctly due to rounding error.

<sup>10</sup> Expired funds may also be used for certain contract modifications.



**Enclosure II**

**Overview: U.S. Civilian Assistance to Yemen**  
 U.S. Agencies Provided Over \$316 million from Fiscal Years 2007 through 2011

**Civilian Assistance Background**

The U.S. government, through USAID and State, provides civilian assistance to Yemen, including:

**Development Assistance**

These bilateral accounts primarily fund programs designed by USAID to meet the goals of its country strategy. Most recently, funds have been drawn upon for various activities under two overarching programs, the Community Livelihoods Project (CLP) and the Responsive Governance Project (RGP). These are the main implementing mechanisms for USAID's stabilization strategy; the CLP attempts to improve standards of living, reduce poverty and unemployment, and improve access to public services, while the RGP aims to strengthen government institutions and improve the delivery of public services while encouraging more citizen participation in the government processes.

**Humanitarian Contingency Assistance**

State and USAID provide humanitarian assistance to populations including internally displaced persons (IDP), refugees, and other individuals affected by the conflict in the north and fighting between Yemeni forces and militant groups in the south. Current U.S. funding supports shelter, food aid, emergency relief supplies, safe water supplies, sanitation assistance, camp coordination and management, protection, health and nutrition, and medical supplies.

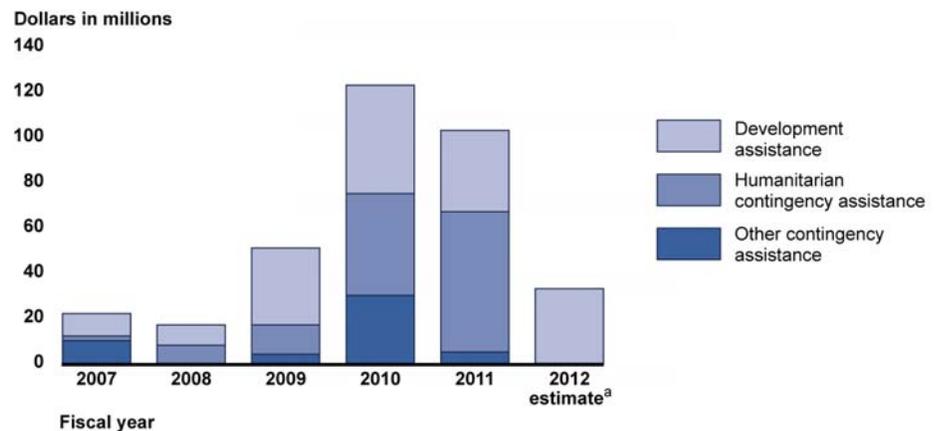
**Other Contingency Assistance**

Funds under this category have various specific purposes; however, they are generally used to provide aid during times of crisis, instability, or other similar circumstances.

The following slides will include more detailed information on some of the accounts receiving the largest levels of funding, including ESF, DA, GHCS, MRA, and FFP. Detailed figures for remaining accounts can be found in enclosure III.

From fiscal year 2007 to fiscal year 2011, total allocations of civilian assistance to Yemen were over \$316 million (see fig. 7). Civilian assistance funds a variety of programs and activities meant to aid vulnerable populations and address the underlying drivers of instability in Yemen. Reflecting the increased focus on a whole-of-government approach, a significant increase in these funds appears in fiscal year 2010. In fiscal year 2011, funding dipped slightly but remained relatively high compared with years prior to 2010. Estimated figures for fiscal year 2012 are not currently available for humanitarian and contingency accounts but do include figures for accounts under development assistance. However, USAID and State officials noted that it's likely that funding will be provided through those accounts in fiscal year 2012, as there will remain a need to fund activities such as aiding internally displaced persons, increasing institutional capacities, and assisting in any electoral technical assistance during any political transition.

**Figure 7: Allocations of U.S. Civilian Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of USAID and State data. Figures for fiscal years 2007-2011 are current as of 9/30/11. Fiscal year 2012 estimates are current as of 2/13/12.

<sup>a</sup>Humanitarian and other contingency accounts do not request funds on a country-specific basis, so no 2012 estimates are available at this time.

According to U.S. officials, civilian assistance to Yemen includes programs funded through the following appropriation accounts (Dollar figures are total amounts allocated for fiscal years 2007-2011):

**Development Assistance**

- Economic Support Fund (ESF) (\$61.8 million)
- Development Assistance (DA) (\$52.1 million)
- Global Health and Child Survival- USAID (GHCS) (\$22.9 million)

**Humanitarian Contingency Assistance<sup>11</sup>**

- Migration and Refugee Assistance (MRA) (\$50.6 million)
- Food for Peace (FFP) (\$37.3 million)
- International Disaster Assistance (IDA) (\$31.7 million)
- Emergency Refugee and Migration Assistance Fund (ERMA) (\$11.4 million)

**Other Contingency Assistance**

- Section 1207 Authority (\$18.9 million)
- Complex Crises Fund (CCF) (\$12.8 million)
- Transition Initiatives (TI) (\$9.3 million)
- Middle East Partnership Initiative (ESF) (\$3.5 million)
- Conflict Management and Mitigation (USAID). (Via ESF) (\$2.6 million)
- USAID/DCHA/DG (Via DF) (\$ 1.2 million)
- Conflict Management and Mitigation (USAID). (Via DA) (\$ 0.7 million)

<sup>11</sup>DOD provides some humanitarian assistance through its Overseas Humanitarian Disaster Assistance Civil Aid office which is not included here.

# Civilian Assistance

## DA Background

USAID administers DA-funded programs in Yemen. These funds are available for obligation for 2 years. Once the period of availability for new obligations expires, the funds are available for an additional 5 years to liquidate the obligations.<sup>12</sup>

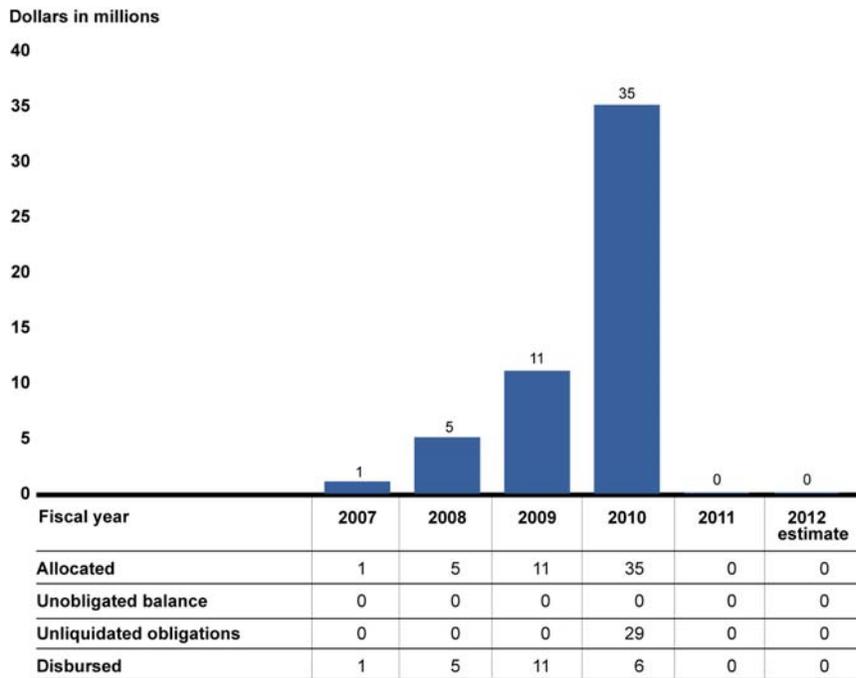
DA funded programs support U.S. engagement with developing countries on critical global issues such as efforts to improve food security and to address the causes and impacts of climate change. For example, in Yemen, USAID sponsored two women’s political platform development workshops promoting female political participation in public policy that were attended by 75 women activists and leaders representing diverse political parties and affiliations.

## Enclosure II

# Status of Funds: Development Assistance

- From fiscal year 2007 through fiscal year 2011, USAID allocated a total of \$52 million from this account for Yemen (see fig. 8).<sup>13</sup> Of that amount, USAID reported that all allocated funds had been obligated and \$22 million had been disbursed. Funds remaining for disbursement from the unliquidated obligations total \$30 million.
- Officials noted that problems with operational security, implementation capacity, and ongoing political instability in Yemen in 2011 created a difficult environment for providing assistance which contributed to delays in the implementation and operation of some programs.
- According to State and USAID officials, no funds were requested from DA in fiscal years 2011 or 2012 because funds drawn from ESF would allow for more programming flexibility and be more appropriate for intended uses.

**Figure 8: DA Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of USAID and State data. Figures for fiscal years 2007-2011 are current as of 9/30/11. Fiscal year 2012 estimates are current as of 2/13/12.

<sup>12</sup> Expired funds may also be used for certain contract modifications.

<sup>13</sup> Figures here may differ slightly from table below due to rounding errors.

# Civilian Assistance

## ESF Background

USAID and State offices administer ESF-funded programs in Yemen. These funds are available for obligation for 2 years. Once the period of availability for new obligations expires, the funds are available for an additional 5 years to liquidate the obligations<sup>14</sup>

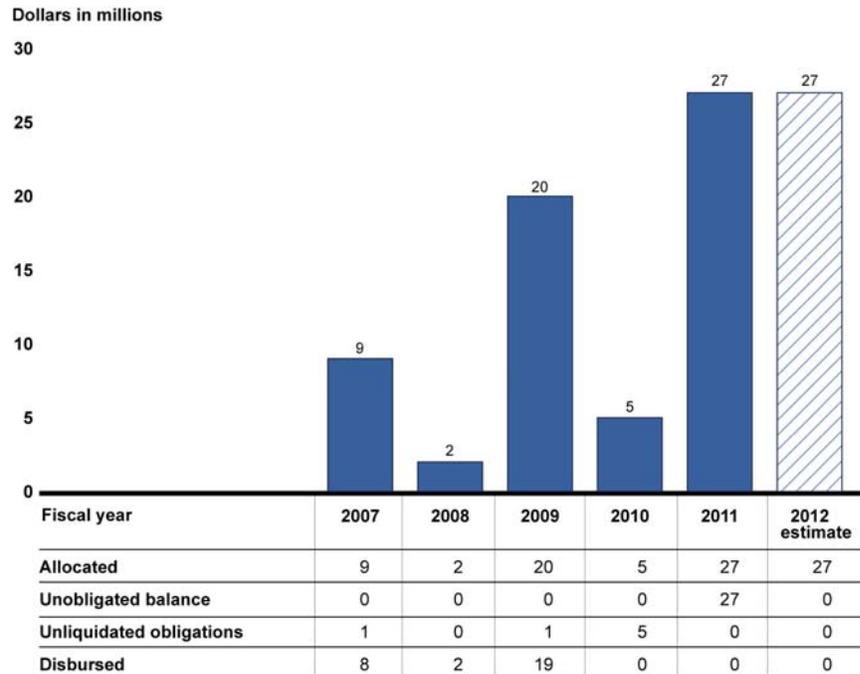
The ESF advances U.S. interests by helping countries meet short- and long-term political, economic, and security needs. USAID and State address these needs through a range of activities, from countering terrorism and extremist ideology to increasing the role of the private sector in the economy; assisting in the development of effective, accessible, independent legal systems; supporting transparent and accountable governance; and the empowerment of citizens. For example, in Yemen funds have gone to programs such as a 4-year, \$17 million agreement to provide support in education through the Basic Education Support and Training Project.

## Enclosure II

# Status of Funds: Economic Support Fund

- From fiscal year 2007 through fiscal year 2011, USAID allocated a total of \$62 million from this account for Yemen (see fig. 9).<sup>15</sup> Of that amount, USAID reported that \$35 million had been obligated and \$29 million had been disbursed. Funds remaining for disbursement from the unliquidated obligations total \$6.3 million. From the fiscal year 2011 funding, \$27 million remains to be obligated.
- Officials noted that problems with operational security, implementation capacity, and ongoing political instability in Yemen in 2011 created a contentious environment for providing assistance which contributed to delays in the implementation and operation of some programs.
- The estimated fiscal year 2012 funding for ESF includes ongoing support for programs aligned with USAID's country strategy in Yemen. Actual funding may vary from the amount estimated.

**Figure 9: ESF Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of USAID and State data. Figures for fiscal years 2007-2011 are current as of 9/30/11. Fiscal year 2012 estimates are current as of 2/13/12.

<sup>14</sup>Expired funds may also be used for certain contract modifications.

<sup>15</sup>Figures here may differ slightly from table below due to rounding errors.

# Civilian Assistance

## GHCS Background

USAID administers GHCS-funded programs in Yemen. These funds are available for obligation for 2 years. Once the period of availability for new obligations expires, the funds are available for an additional 5 years to liquidate the obligations<sup>16</sup>

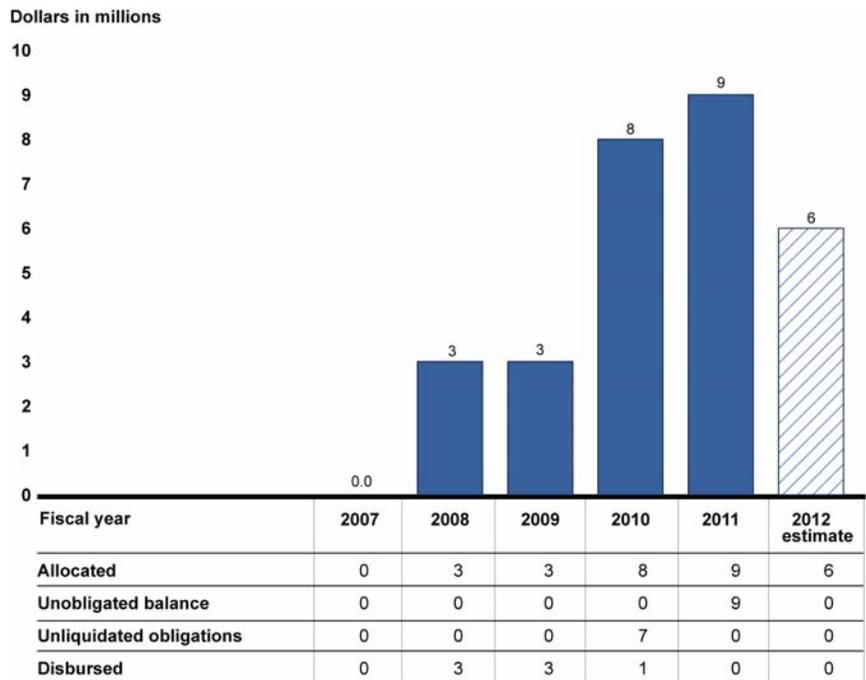
The GHCS account funds health-related foreign assistance. Investments in global health strengthen fragile or failing states, promote social and economic progress, and support the rise of capable partners that can help to solve regional and global problems. In 2011, the Community Livelihoods Project used GHCS funds to provide 11 Yemen Ministry of Health Mobile Medical Teams with essential equipment, medical supplies, and materials. The teams provide needed primary health care services to over 4,000 patients per month.

## Enclosure II

# Status of Funds: Global Health and Child Survival-USAID

- From fiscal year 2007 through fiscal year 2011, USAID allocated a total of \$23 million from this account for Yemen (see fig. 10).<sup>17</sup> Of that amount, USAID reported that \$14 million had been obligated and \$6 million had been disbursed. Funds remaining for disbursement from the unliquidated obligations total \$8 million. From the fiscal year 2011 funding, \$9 million remains to be obligated.
- Officials noted that problems with operational security, implementation capacity, and ongoing political instability in Yemen in 2011 created a difficult environment for providing assistance which contributed to delays in the implementation and operation of some programs.
- The estimated fiscal year 2012 funding for GHCS includes ongoing support for programs aligned with USAID’s country strategy in Yemen. Actual funding may vary from the amount estimated.

**Figure 10: GHCS Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of USAID and State data. Figures for fiscal years 2007-2011 are current as of 9/30/11. Fiscal year 2012 estimates are current as of 2/13/12.

<sup>16</sup>Expired funds may also be used for certain contract modifications.

<sup>17</sup>Figures here may differ slightly from table below due to rounding errors.

# Civilian Assistance

## MRA Background

State administers MRA funding. These funds are generally considered “no year” money and remain available until expended.

The MRA supports programs of international humanitarian organizations such as the UN High Commissioner for Refugees (UNHCR), as well as nongovernmental organization partners to address pressing humanitarian needs. These funds support programs that meet basic needs to sustain life and provide protection and assistance to the most vulnerable, particularly women and children and the elderly.

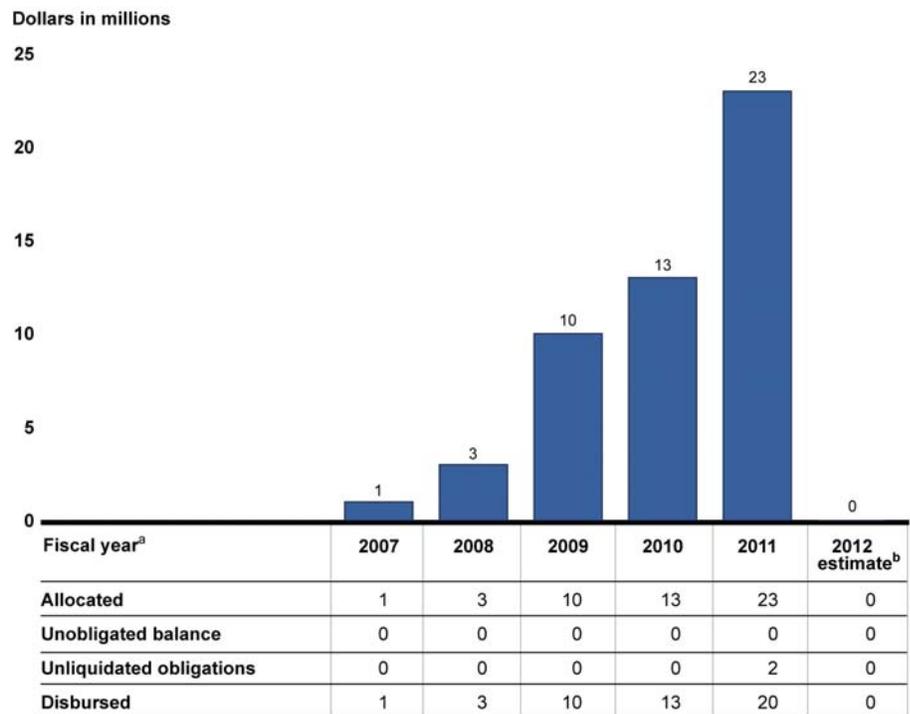
In Yemen, U.S. humanitarian partners provide protection services, basic assistance, and education to IDPs, conflict victims, and refugees and migrants from the Horn of Africa who have fled to Yemen. In 2011, UNHCR reported assisting over 460,000 IDPs in Yemen, and does not expect a large number of returns in 2012 due to ongoing unrest and security concerns, as well as a lack of infrastructure or services in IDPs’ areas of origin.

## Enclosure II

# Status of Funds: Migration and Refugee Assistance

- From fiscal year 2007 through fiscal year 2011, State allocated a total of \$51 million from this account for Yemen (see fig. 11).<sup>18</sup> State reported that all allocated funds had been obligated and that \$48 million had been disbursed. Funds remaining for disbursement from the unliquidated obligations total \$2 million.
- According to State officials, some factors that might contribute to higher levels of disbursement from some humanitarian accounts such as MRA, include the fact these programs are focused on humanitarian interventions, which require a quick response by partners, have a specific set of interventions with standard approaches, are focused on IDPs and conflict victims, and have a more experienced/established set of implementers and staff.
- Although the fiscal year 2012 budget request for MRA does not identify a country-specific amount for Yemen, it does indicate that it includes support for Yemeni IDPs and conflict victims affected by the civil war in northern Yemen. This assistance will continue to focus primarily on providing shelter, food and water, medical care, protection services, and other emergency assistance.

**Figure 11: MRA Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of USAID and State data. Figures current as of 9/30/11.

Note: MRA funds are not appropriated or allotted at the country level, and funding is determined internally each year. There are therefore no unobligated balances for Yemen.

<sup>a</sup>Figures in table may not sum correctly due to rounding error.

<sup>b</sup>According to agency officials, MRA funds are requested globally, rather than on a country-specific basis. State has not yet determined any MRA allocation to Yemen for fiscal year 2012.

<sup>18</sup>Figures here may differ slightly from table below due to rounding errors.

# Civilian Assistance

## FFP Background

USAID administers FFP funding. The funds are considered “no year” money and remain available until expended.

Title II of the Food for Peace Act authorizes the provision of direct donation of U.S. agricultural commodities for emergency relief and development around the world and funds nonemergency, development-oriented resources to help address the underlying causes of food insecurity.

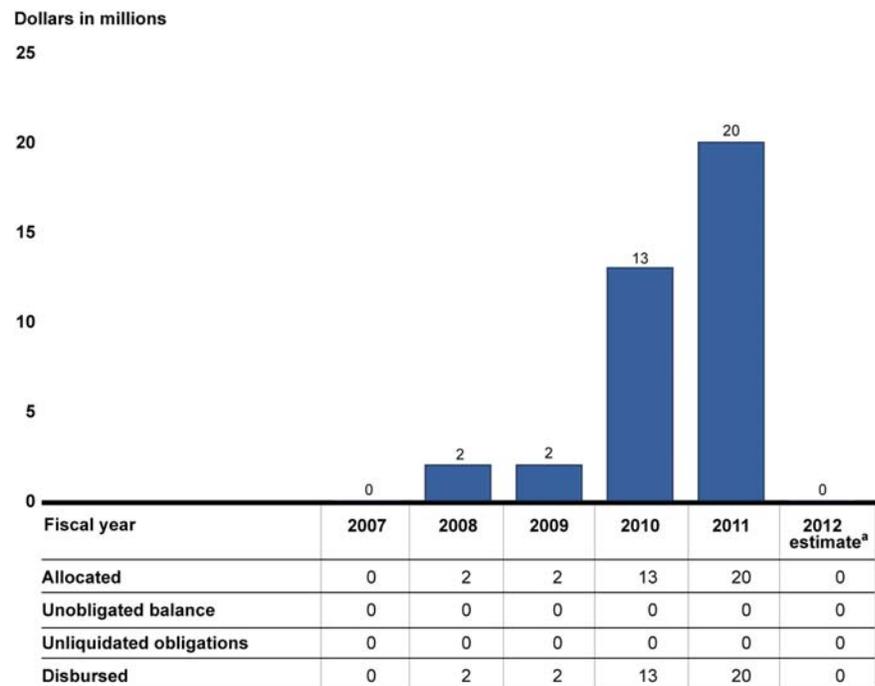
According to USAID, FFP and its implementing partners support a humanitarian response program for meeting existing needs in the north resulting from the protracted conflict between Yemini forces and al-Houthi opposition. This conflict has displaced some hundreds of thousands of people and affected at least a million people. IDPs have had limited access to food, shelter, education, and health care.

## Enclosure II

# Status of Funds: Food for Peace

- From fiscal year 2007 to fiscal year 2011, USAID allocated a total of \$37 million from this account for Yemen (see fig.12). USAID reported that entire amount as obligated and disbursed. This rate of disbursement is higher than that of other accounts reviewed over this period. A USAID official noted that a large amount of FFP assistance is disbursed by simply purchasing and transporting food, which increases the rate of disbursement funds.
- Food for Peace activities assisted IDPs and conflict-affected Yemenis in fiscal year 2011 by providing 17,430 metric tons of food assistance to address continuing food needs of those most impacted by the conflict in the North.
- USAID does not allot FFP funds at the country level, and funding is determined internally each year. Therefore, no fiscal year 2012 estimates for Yemen are currently available.

**Figure 12: FFP Assistance to Yemen, Fiscal Years 2007-2012**



Source: GAO analysis of USAID and State data. Figures current as of 9/30/11.

<sup>a</sup>USAID has not yet determined any allocation to Yemen for FY 2012. FFP funds are requested globally, rather than on a country-specific basis.

## Additional U.S. Assistance to Yemen, By Year of Appropriation

**Security Assistance****Bilateral Security Assistance (IMET, NADR)**

<b>International Military Education and Training (IMET)</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated	1,006	945	1,000	1,153	1,100
Unobligated balance	0	0	0	0	0
Unliquidated obligations	288	336	396	250	899
Disbursed	718	609	604	903	201

Note: According to State officials, IMET expenditures are not finalized until all course costs are paid, which may be years after the fiscal year of obligation.

<b>Nonproliferation, Antiterrorism, De-mining, and Related Programs (NADR)</b>					
There are several programs below funded through the Department of State's NADR appropriations account. For the purposes of our report they are listed individually here.					
<b>Antiterrorism Assistance - NADR</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated	1,197	744	790	2,000	2,500
Unobligated balance	0	5	26	52	2,500
Unliquidated obligations	421	94	336	126	0
Reprogrammed	0	0	0	1,550	0
Disbursed	776	645	428	272	0

Note: According to State officials, due to internal political unrest in Yemen, it was not viable for ATA to continue conducting training there in 2011. Accordingly, \$1,550,000 of FY 10 NADR-ATA bilateral funding was reprogrammed. The provision of training and equipment over the last several years in Yemen has become increasingly difficult to implement due to Yemen's complicated security environment. Consequently, \$5,000 of FY 08 NADR/ATA Yemen funding, \$26,000 of FY 09 NADR/ATA Yemen funding, and \$52,000 of FY 10 NADR/ATA Yemen funding was not obligated and has expired.

<b>Counterterrorism Financing - NADR</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated	300	298	100	375	0
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	0	0
Disbursed	300	298	100	375	0
<b>Export Control and Related Border Security Assistance - NADR</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated	350	500	410	820	1,000
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	99	220	1,000
Disbursed	350	500	311	600	0
<b>Conventional Weapons Destruction - NADR</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated	0	0	0	0	1,000
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	0	500
Disbursed	0	0	0	0	500

## Enclosure III

<b>Humanitarian Demining Program - NADR</b>					
\$ in thousands	FY 07	FY 08	FY 09	FY 10	FY 11
Allocated	375	0	400	1,000	0
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	0	0
Disbursed	375	0	400	1,000	0

<b>Small Arms Light Weapons Destruction - NADR</b>					
\$ in thousands	FY 07	FY 08	FY 09	FY 10	FY 11
Allocated	525	0	0	0	0
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	0	0
Disbursed	525	0	0	0	0

Note: Beginning in FY 2011, funding for the Humanitarian Demining and Small Arms/Light Weapons Programs are consolidated under Conventional Weapons Destruction.

<b>Terrorist Interdiction Program - NADR</b>					
\$ in thousands	FY 07	FY 08	FY 09	FY 10	FY 11
Allocated	257	992	425	600	0
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	0	0
Disbursed	257	992	425	600	0

<b>Global Threat Reduction - NADR</b>					
\$ in thousands	FY 07	FY 08	FY 09	FY 10	FY 11
Allocated	0	0	100	1,230	2,257
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	0	1,801
Disbursed	0	0	100	1,230	456

## Civilian Assistance

### Humanitarian Contingency Assistance (IDA, ERMA)

<b>International Disaster Assistance (IDA)</b>					
\$ in thousands	FY 07	FY 08	FY 09	FY 10	FY 11
Allocated	0	0	599	10,928	20,212
Unobligated balance	0	0	0	0	265
Unliquidated obligations	0	0	50	1,507	18,466
Disbursed	0	0	549	9,421	1,481

According to State officials, one of the IDA programs implementing partners experienced setbacks in starting their project in Yemen in 2011 and as a result they modified their technical approach to accommodate the shortened food assistance duration. The difference of \$265,445 was the amount that they requested their budget be reduced by for fiscal year 2011 in order to carry out the modified program in the remaining life of the project.

**Enclosure III**

<b>Emergency Response and Migration Assistance (ERMA)</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Obligated	650	2,950	0	7,800	0
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	0	0
Disbursed	650	2,950	0	7,800	0

According to State officials, Emergency Response and Migration Assistance is not appropriated or allotted at the country level, and funding is determined internally each year. There are therefore no unobligated balances in those accounts for Yemen.

**Other Contingency Assistance (CCF, 1207, TI, MEPI, USAID/CMM, USAID/DCHA/DG)**

<b>Complex Crises Fund (CCF)</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated	0	0	0	12,807	0
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	6,995	0
Disbursed	0	0	0	5,812	0

<b>Section 1207 Authority (1207)</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated	8,845	0	0	10,034	0
Unobligated balance	0	0	0	0	0
Unliquidated obligations	5,052	0	0	7,769	0
Disbursed	3,793	0	0	2,265	0

Note: According to State officials, funding from the original FY 07 allocation was obligated and disbursed in FY 08, FY 09, FY 10, and FY 11. Due to the late appropriation in FY 10, the 1207 program did not obligate any funds from the FY 10 allocation during that fiscal year. All funding was carried over to FY 11, at which point USAID/OTI received the funds and began the obligation process.

<b>Transition Initiatives (TI)</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated	0	0	0	5,492	3,850
Unobligated balance	0	0	0	0	0
Unliquidated obligations	0	0	0	174	3,395
Disbursed	0	0	0	5,318	455

<b>MEPI: Bilateral Funding</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Obligated	1,055	167	1,958	332	To be determined
Unobligated balance	0	0	0	0	0

Note: According to State officials, these numbers only reflect MEPI bilateral projects. MEPI oversees many projects that are multi-country or regional in nature, making it very difficult to disaggregate participant costs accurately which are therefore not captured here. State's ability to obligate funds in Yemen has been hampered by the ongoing security situation. As such, they have reported that it is impossible to predict at this time how much FY 11 funding MEPI will obligate in Yemen.

**Enclosure III**

<b>Conflict Management and Mitigation (USAID/CMM) (via ESF)</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated/Allotted	0	200	1,200	1,200	0
Unobligated balance	0	0	0	0	0
Unliquidated Obligations	0	0	407	923	0
Disbursed	0	200	793	277	0

<b>Conflict Management and Mitigation (USAID/CMM) (via DA)</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated/Allotted	300	0	400	0	0
Unobligated balance	0	0	0	0	0
Unliquidated obligations	58	0	0	0	0
Disbursed	242	0	400	0	0

<b>USAID/DCHA/DG (via DF)</b>					
<b>\$ in thousands</b>	<b>FY 07</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>
Allocated/Allotted	0	0	0	0	1,250
Unobligated balance	0	0	0	0	1,250
Unliquidated obligations	0	0	0	0	0
Disbursed	0	0	0	0	0

Sources: GAO analysis of USAID and State data.

## GAO Contact and Staff Acknowledgments

### GAO Contact

Charles Michael Johnson, Jr., (202) 512-7331, or [johnsoncm@gao.gov](mailto:johnsoncm@gao.gov)

### Staff Acknowledgments

Major contributors to this report were Jason Bair, Assistant Director; Judith Williams; Brian Tremblay; and Bruce Kutnick. Martin de Alteriis, Debbie Chung, Marie Mak, Mary Moutsos, and Pierre Toureille also provided assistance.

---

---

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website ([www.gao.gov](http://www.gao.gov)). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to [www.gao.gov](http://www.gao.gov) and select "E-mail Updates."

---

## Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

---

## Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#). Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#). Visit GAO on the web at [www.gao.gov](http://www.gao.gov).

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: [www.gao.gov/fraudnet/fraudnet.htm](http://www.gao.gov/fraudnet/fraudnet.htm)

E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)

Automated answering system: (800) 424-5454 or (202) 512-7470

---

## Congressional Relations

Katherine Siggerud, Managing Director, [siggerudk@gao.gov](mailto:siggerudk@gao.gov), (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

---

## Public Affairs

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

