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Tom Lantos Human Rights Commission House of Representatives

Hearing on the Humanitarian Crisis in Yemen

November 17, 2016

I would like to thank the co-chairs, Representatives McGovern and Pitts for holding this important and timely hearing and for inviting Mercy Corps to testify. And, thank you for the Commission's leadership on this issue.

Mercy Corps has been working in Yemen since 2010 across 10 governorates. With a team of over 130 national and international staff, and offices in Sana'a, Taiz and Aden, our programming tackles humanitarian needs with a specific focus on food security, water and sanitation, nutrition, livelihoods, agriculture, and mine-risk education. Unfortunately, my Yemeni colleagues could not be here to represent our perspectives today, but they are deeply engaged in guiding Mercy Corps work and informing the testimony that I will present today.

Humanitarian needs are vast and deteriorating

Ongoing violence in Yemen has resulted in 21.2 million people -- at least 80% of the population -- in need of humanitarian assistance. Yemen currently faces one of the worst humanitarian crises in the world. While the recent announcement of a potential cessation of hostilities is a crucial first step in addressing the humanitarian catastrophe, the country will no doubt face many challenges as it moves to stabilize the economy, address humanitarian conditions and undertake the process of healing social fragmentation. The longer the war rages on, the more the humanitarian crisis will continue to escalate, complicating the path toward long-term stability. As such, it is incumbent upon the United States and its allies to redouble efforts to support and bring about a negotiated end to the conflict.

In Taiz, which has seen some of the worst fighting in the war, 50 year-old Etedal Mohmed, a mother of four shared her story with my Mercy Corps colleagues. Before the war, she and her husband sold goats to earn an income. When fighting intensified in their village, Etedal and her

family moved to Taiz City and rented a small, broken down apartment. Having lost their source of income, they had to start borrowing money from relatives to pay their small rent and buy food. But it wasn't enough, so Etedal and her husband started skipping dinner. Then there wasn't enough for any of her family to eat dinner. "Most nights we went to sleep hungry and we didn't know where our next meal would come from," she said. They couldn't afford to send their children to school and the kids started getting anxiety about missing their education. On top of all this, the war raged on in the city around them. "I felt very heavy," Etedal said. "I didn't want to ask for help."

Even prior to the current crisis, Yemen was already the poorest country in the Middle East. Now nearly two years since the escalation of conflict, conditions are at an all time low and the figures speak for themselves. The economy is on the verge of collapse, less than half of the health facilities are functioning -- while health officials have confirmed a cholera outbreak -- and famine is only one step away in some parts of the country. A staggering 19 out of 22 governorates are under food security phase 3 (crisis) or phase 4 (emergency), with phase 5 being 'famine.' In total, 14.4 million people are food insecure, more than half of the population. That's like 176.8 million people in the United States living without reliable access to affordable, nutritious food. Over 3.19 million people have been displaced since the conflict began, according to the UN's latest figures from October 2016. Among displaced populations, most people report that food is their number one need. The vast majority of Yemen's population also lacks sufficient access to water and sanitation services, which are critical to maintaining good health.

Of the millions of Yemenis going hungry, vulnerable groups are bearing the brunt of the disaster. Yemen has one of the highest rates of child malnutrition in the world and now, according to UNICEF, at least 3.1 million children and pregnant and lactating mothers are acutely malnourished. Of those, 370,000 children are enduring severe acute malnutrition, which means that if untreated, their condition could worsen to the point of permanently damaging their physical and mental development, or tragically, they could even die. Malnutrition contributes to almost half (45%) of all deaths in children under 5 and severely malnourished children are at greater risk of medical complications and death from illness or infections.

¹ See http://www.ipcinfo.org/ for more information about the integrated food security phase classification.

² Yemen Humanitarian Bulletin: October 2016. UN OCHA. http://reliefweb.int/report/yemen/yemen-humanitarian-bulletin-issue-17-30-october-2016

³ U.S. Census 2015, http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk

⁴ Task Force for Population Movement

 $[\]underline{\text{https://www.humanitarianresponse.info/en/operations/yemen/infographic/report-task-force-population-movement-}} \\ \underline{11} \text{th-report-september-2016}$

⁵ "Yemen conflict: devastating toll for children," UNICEF, October 2016. https://www.unicef.org/infobycountry/yemen 85651.html

Because of the extent of malnutrition in Yemen, half of all children under five are stunted. The long-term health effects of stunting are striking: diminished cognitive and physical development, poor health, and an increased risk of diabetes and other degenerative diseases. Even more striking, however, are how the effects of childhood stunting permeate both economic and social development as well. The cognitive impairment resulting from stunted growth yields poor school performance. Poor school performance means decreased income earnings as an adult. And decreased income may, ultimately, lead back to the very poverty that helped to cause stunting in the first place. Economists estimate that these adverse effects of under nutrition can, over time, reduce a country's economic advancement by at least 8% because of direct productivity losses, losses from poorer cognition and losses due to reduced schooling.

In Taiz Governorate, one of the most food insecure regions in the country and where food prices are the highest, Mercy Corps provided emergency nutrition services to children and women. What we found was startling. Of the nearly 10,000 children under five years old that were screened for malnutrition between November 2015-January 2016, seven percent were found to be severely acutely malnourished. That is double the rate we expected. This number is staggering -- even more so when considering that children with severe acute malnutrition are nine times more likely to die than children who are well-nourished. And, when we calculated the GAM (Global Acute Malnutrition) rate, which is the international standard for measuring the severity of a malnutrition situation, the rates in this area of Taiz were double the World Health Organization's critical threshold of 15%; figures that were supported by a recent nutritional survey from UNICEF and the Ministry of Health in Taiz. The scale of Yemen's food insecurity cannot be overstated.

Economic factors

To make matters worse, the country is in the midst of an economic crisis compounded by inflated food and fuel prices, a dwindling foreign reserve, and massive cash shortages. The Central Bank of Yemen (CBY), once one of the few neutral institutions in the country, has become a political pawn between the warring parties. This institution that has helped Yemen maintain some semblance of economic stability is now on the verge of failure. The CBY is no longer able to pay public sector salaries, provide lines of credit for essential imports like wheat, and service debt obligations. Alongside the challenges facing the Bank, imports of basic

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⁶ WHA Global Nutrition Targets 2025: Stunting Policy Brief

http://www.who.int/nutrition/topics/globaltargets stunting policybrief.pdf. Accessed 14 November 2016.

⁷ Kathryn G. Dewey & Khadija Begum "Long-term consequences of stunting in early life." Maternal and Child Nutrition (2011), http://onlinelibrary.wiley.com/doi/10.1111/j.1740-8709.2011.00349.x/epdf

⁸ The Lancet, Maternal and Child Nutrition Series, Available online at: http://www.thelancet.com/pb/assets/raw/Lancet/stories/series/nutrition-eng.pdf

⁹ Severe Acute Malnutrition Factsheet, UNICEF https://www.unicef.org/nutrition/index_sam.html

¹⁰ GAM (Global Acute Malnutrition) is a combination of moderate and severe acute malnutrition in children <5 years.

years.

11 A recent SMART (Standardized Monitoring and Assessment of Relief and Transitions) survey found rates elevated 10% above the critical threshold of 15%.

commodities into the country -- including fuel and food staples -- continue to face blockages at ports. Throughout the country, economic infrastructure has also been devastated by the widespread bombing of factories, fishing boats, roads and bridges, and the continuous threat of airstrikes on truck traffic which has made some areas of the country essentially unreachable by humanitarian aid agencies.

Of particular concern, cash shortages, resulting from Yemen's economic collapse, have had a pervasive impact on Mercy Corps' humanitarian programming in the country and our ability to help Yemenis build more productive lives for themselves. At the same time, the value of the Yemeni RIyal continues to shrink, affecting markets and the purchasing power of Yemenis. This has resulted in adverse impacts on our food voucher programs, cash-for-work and unconditional emergency cash transfers, water and sanitation work, in kind non-food assistance, and basic operational costs. For instance, shortages of cash has affected our ability to properly compensate vendors and suppliers as part of our food vouchers, basic household supply distributions, and infrastructure rehabilitation work. If we are unable to properly pay vendors in the middle of a project, then we are unable to meet the urgent needs of vulnerable households. This can also spark anger and distrust, increasing insecurity and causing significant program delays. Even Mercy Corps staff have not been able to fully withdraw their salaries from the banks -- relying upon small daily caps to just get by.

This loss of income and livelihoods in conjunction with high prices of fuel, food, and essential commodities has further undermined people's ability to cope with the effects of the war. In one year since March 2015, around a quarter of all companies in Yemen had closed and 70% of Yemeni laborers had been laid off, while prices of wheat flour, sugar, onions, and red beans, remain higher than in the pre-crisis period. This is an even more severe blow to over 1.5 million of Yemen's most vulnerable families who previously relied on emergency assistance administered by the Yemen Social Welfare Fund. Alongside this, we are seeing deteriorating economic conditions throughout the country fueled by the discontinuation of public sector salary payments by the CBY in August 2016. In total, 1.2 million breadwinners -- with an estimated 7 million dependents -- have not seen wages in three months, only serving to accelerate the already devastating food crisis. With only 45% of health facilities fully functioning due to damage, shortages of medicines, and inadequate staffing, in part due to lack of salaries, the banking crisis clearly affects the most crucial public services.

Blockages at Yemen's major ports, and the discontinuation of lines of credit from the Central Bank for the import of basic food commodities and fuel, continue to restrict both commercial activity and humanitarian assistance. Currently, the few sea ports that are operational face long

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¹² "Yemen Without a Functioning Central Bank: The loss of basic economic stabilization and accelerating famine" Sana'a Center for Strategic Studies, 3 November 2016. http://sanaacenter.org/publications/item/55-yemen-without-a-functioning-central-bank.html

import processes, are cut off from major swaths of the country, or lack capacity to support efficient importation due to major damage to infrastructure¹³ The United Nations Verification and Inspection Mechanism (UNVIM) has been successful in mediating and allowing for millions of metric tons of food, fuel, and supplies to arrive at Yemen's few functioning ports. Yet, there is still a backlog of ships just waiting to offload. When they *do* offload, the process can take around one month to complete due to inadequate port capacity.

This matters because prior to the war, about 90% of Yemen's basic food items, such as wheat and rice, were imported. Nearly two years into the escalated conflict, the price of wheat remains 25% higher than before March 2015. ¹⁴ In practical terms, port blockages coupled with the discontinuation of lines of credit by the Central Bank are having a devastating impact. By way of example, Yemeni wheat importers estimate that without renewed import financing for grains, existing domestic supplies will be exhausted within two months. But also concerning is the massively reduced household purchasing power. Many Yemenis cannot afford food even if it is available on a regular basis. As a result of import restrictions, currency fluctuation, insecurity related to the conflict and other market factors, the relative cost of food has soared causing families to resort to negative coping mechanisms, like reducing food intake or skipping meals. Not surprisingly, the highest food prices are reported in the governorates most affected by the ongoing crisis such as Taiz and Sa'ada.

Civilian Protection

As humanitarian actors, we are deeply concerned about the widespread disregard for civilian protection by parties to the conflict, evidenced most shockingly on October 8, 2016. A deadly, double-tap airstrike on a funeral ceremony in the capital, Sana'a, perpetrated by the Saudi-led Coalition (SLC), killed at least 140 civilians and injured 525 others. Following that attack, Mercy Corps, along with colleague agencies, urged the United States government to use its leverage to require compliance with international humanitarian law by the SLC as a condition of US cooperation and support and asked for the US to support calls for an independent investigation into attacks on civilians. Today, I echo that call.

The funeral attack was just another in a line of targeted attacks on civilians and vital infrastructure, including health facilities, schools, factories, and bridges. The recklessness of the Saudi-led operations in Yemen indicates a fundamental unwillingness or inability to comply with the basic laws governing warfare. However, in September, just a month prior to this bombing, Congress approved the sale of \$1.15 billion of weapons to Saudi Arabia. This deal signals a lack of concern by the US government for the civilian loss of life, injuries and destruction of

¹³ See:

http://reliefweb.int/sites/reliefweb.int/files/resources/logistics cluster yemen shipping food fuel snapshot august _161006.pdf

¹⁴ WFP Yemen Market Watch Report, October 2016. https://www.wfp.org/content/yemen-monthly-market-watch-2016

infrastructure occurring now in Yemen, and reinforces the permissiveness of the current SLC operations. Introducing more weapons has the potential to exacerbate the fighting and put more civilians at risk.

With the US sale of weapons to Saudi Arabia, plus its ongoing logistical and intelligence support to the SLC, the people of Yemen now view the United States as a party to the conflict. Because of this, the US should seriously consider the legal and moral implications of its continued support to Saudi Arabia. How can the US claim legitimacy in its efforts to broker a peace deal as long as it continues to sell arms and provide the logistical support and intelligence, which perpetuate the conflict and its devastating impact on civilians? The US must play a critical role in ensuring greatest possible compliance with international humanitarian law while the conflict persists, including through practical operational measures to minimize harm to civilians in ongoing military operations. Any US support must come with the expectation of compliance with the law and pro-active measures to protect civilians, including the technical advice to do so. The US should also support independent oversight and accountability mechanisms.

Recommendations

I'd like to leave you with a few recommendations and steps that the US Congress should take to address the humanitarian crisis in Yemen.

First, commit \$1.6 billion to fund Food for Peace.

To fight global hunger, save lives and help families survive crisis, particularly the 7 million people in Yemen facing emergency levels of severe food insecurity, we need Congress to fund Food for Peace at the Senate level of \$1.6 billion in FY 2017. We also need Congressional support for the Community Development Fund — a critical fund that allows the US government to ensure that food programs are operated effectively and efficiently to create the biggest impact. The current draft of the House Agriculture Appropriations bill includes language that limits the use of the Community Development Fund to meet the 'safebox' required funding level of \$350 million. This language would, in effect, force USAID to return to monetization and prevents \$80 million additional dollars from being used on the emergency side of Food for Peace -- funds that could be used to help Yemen. If this provision is included in the final conference agreement, it would pull lifesaving food aid from approximately two million people. I hope the Human Rights Commission can weigh in with their appropriations colleagues and rectify this problem through a legislative fix that at no cost to the US taxpayer would help over two million more people.

Second, maintain high levels of support for key humanitarian accounts.

Support no less than \$2.8 billion for the International Disaster Assistance (IDA) and \$3.2 billion for Migration and Refugee Assistance to address the vast needs throughout the country and particularly to address rising food insecurity, water and sanitation, and health needs. The OCHA Humanitarian Response Plan was only 51% funded for 2016. The 2017 plan should be released

early next year and in order to turn around this abysmal level of global attention to the humanitarian needs in Yemen, we call on the US to continue its leadership role in funding, as well as in leveraging, broader donor support to fill gaps.

Third, urge the US Treasury and the Department of State to work with the Central Bank of Yemen to find a political compromise that allows for cooperation between Aden and Sana'a and the full resumption of core functions as quickly as possible.

The US Treasury -- in coordination with the US Department of State -- should work with technocrats at the two arms of the CBY to draw up an agreement for the resumption of core functions that impact humanitarian services, potentially as part of initial steps to build confidence by parties to the conflict toward a negotiated peace settlement. In particular, there is an immediate need to find means to:

- Pay the country's 1.2 million civil servants who, as heads of households, are the breadwinners for roughly 7 million people.
- Restart support for the Social Welfare Fund, which previously provided aid to the poorest segments of Yemeni society.
- Resume lines of credit for the import of basic foodstuffs and fuel.
- Stabilize the Riyal and alleviate the country's liquidity crisis in physical banknotes distributed to both branches.
- Pay or reschedule foreign debt obligations to maintain the trust of financial markets and ensure Yemen is eligible for loans to rebuild after the war.

Fourth, seek solutions to address logistical delays at Yemen's ports.

Import restrictions are resulting in delays that continue to inhibit commercial activity and provision of essential humanitarian commodities. For example, at the main port of Hodaydah, cargo ships are currently spending weeks offshore waiting to berth. This is in part due to a massive reduction in the port's offloading capacity because of infrastructure damaged by airstrikes. The US should help secure funding to replace key infrastructure. Until these delays for offloading are resolved, additional funding for food or humanitarian supplies will have only a limited impact. In addition, the US should pressure the SLC to cooperate with the UNVIM so import processes are not further delayed and to stop targeting civilian transportation infrastructure such as roads and bridges to further help ease bottlenecks.

Fifth, ask the US administration to provide details about the timeline and implementation of its review of support to the Saudi-led Coalition (SLC) and to condition continued support for the Saudi-led Coalition's military operations in Yemen on the adoption of measures to enhance compliance with international humanitarian law and to minimize civilian harm.

Continued US support should be based on demonstrable improvement in the conduct of hostilities, including by refraining from indiscriminate and disproportionate use of force, such as

attacks on medical facilities, schools, and other civilian objects. While we welcome the October 8, 2016 statement made by the US National Security Council spokesperson, Ned Price, announcing the US government's intention to review its support to the SLC, we find it disconcerting that US support was not already under review. We call upon the United States to take significant steps to make public the risk assessments that the US is obligated to carry out during the process of arms transfers, such as the recently approved sale of \$1.15 billion in military equipment from the US to Saudi Arabia. This should be established as best practice regarding any major arms sale.

Sixth, support a transparent investigation into violations of International Humanitarian Law (IHL).

Through the Security Council, support an immediate, independent, international investigation into this incident and other alleged violations of IHL, under the auspices of The UN Office of the High Commissioner for Human Rights, to hold those responsible for IHL violations to account.

Finally, call on Saudi Arabia to lift the current restrictions on commercial flights out of Sana'a International Airport.

Civilian victims of targeted attacks -- many at the hands of the SLC -- have suffered immense injuries; others continue to suffer from chronic illnesses and are in need of immediate care. Yet, with the airport inaccessible, they are left to suffer, unable to receive the urgent treatment they need to survive. It is imperative that these civilians be permitted to seek critical medical care outside of Yemen. Additionally, the limited capacity for humanitarian personnel to travel in and out of Yemen, given that the only flights allowed are UN, MSF, and ICRC, continues to affect the human resources side of the response in Yemen. This vital air-bridge is also fragile, and can be easily closed at a moment's notice by the Saudis. It has to be better protected and expanded.

In conclusion, Yemen is at a critical juncture, but I have hope for its future. When Mercy Corps began providing food assistance through our voucher system in Taiz City this year, in partnership with the UN World Food Programme (WFP), Etedal was a beneficiary. Each month her family received enough food to allow them to save some money usually spent on food rations. With the little money they saved, her family opened a small shop selling chickens. They earned some more money and could send their children back to school. Their children became healthier and they became, as our team said, self-determined. Etedal told our team, "Thank you. You think you are just providing us with food, satisfying our hunger. But you are protecting us and saving us from hunger. Maybe you are even saving us from death. We ask you, please continue this program."

Yemenis like Etedal have incredible resilience and spirit. But, Yemenis also need external support as they face the unrelenting shocks of this war. We must not abandon Yemen and its next

generation. I call on the US Congress to invest in emergency programs addressing food insecurity and continuing humanitarian assistance. I also urge you to encourage the US government to utilize all diplomatic levers at our disposal to shore up Yemen's fragile economic conditions and to prevent additional civilian casualties and violations of International Humanitarian Law.