
Yemeni Action Initiative

Call to launch by September 2011

“ The Yemeni Action initiative offers us a real strategic option in response to a situation that we have all witnessed deteriorate dramatically. We risk a scenario similar to the one unfolding in the Horn of Africa. We believe this option should be actioned immediately ”

Olga Ghazaryan, Regional Director, Middle East, Eastern Europe, Commonwealth of Independent States, Oxfam (GB)



REOS

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Problem Statement

The instability and ongoing conflict in Yemen risks a catastrophic loss of Yemeni capacity, from loss of life to loss of core infrastructure

Urgent internal drivers

- The GCC initiative has stalled
- Impending state fragility + state authority for safety / security has been compromised
- Emerging humanitarian crisis: "Yemen is facing an unprecedented emergency currently affecting many millions of people. Prices of food and water are rocketing beyond the pockets of millions of Yemenis who are also losing their jobs and incomes. Without sufficient fuel, it is becoming impossible to distribute food or pump water from the ground"
- Oxfam statement 16/7/11 to Reos Partners

Internal systemic drivers

- Effective political power diminished
- Administrative capacity to deliver services absent
- Economic management: sharply declining exchange rate + non-availability of hard currency from banks
- Territorial sovereignty at risk with threat of secessionist movement escalating + increase in refugee / internally displaced person flows
- Yemen's Foreign Reserves in sharp decline due to increasing global food prices and decreasing oil exports

External strategic drivers

- Vulnerability to disruption of oil/gas export lines - as demonstrated by the recent three month closure of the important Ras Isa export line
- Regional instability and cost of conflict: economic growth in Arab Gulf region reduced by 1.6% GDP as one of the constituent countries is fragile

Chauvet, L., and P. Collier (2004). *Development Effectiveness in Fragile States: Spillovers and Turnarounds*

Prevention rather than cure: for every £1 spent on conflict prevention £4 is saved by the donor

Why We Need To Work More Effectively In Fragile States; Published by the Department for International Development, January

2005, *PRDE Working Paper 1*. Unpublished manuscript; DFID

Goal & Objectives

Goal:

To bring a range of civil society, business and government stakeholders together in order to confront issues affecting Yemen's stability

Objectives:

The Yemeni Action Initiative would:

- Urgently seek to avert state collapse in Yemen
- Convene a diverse group of stakeholders to focus on stabilising the situation in Yemen
- Create a Phase 1: \$45m USD Yemeni Action Fund, capitalized in Phase 2: with up to \$400m USD for Yemenis to determine and act on priorities for themselves
- Fund capitalised by the UAE/GCC + other parties, supported by international community
- Engage with Yemeni Stakeholder Team drawn from military commercial complex / government, civil society actors, business, shadow elite, tribal figures and oppositional movements, ensuring each actor is part of each funding decision
- Key representatives from multilateral organizations validating each grant

The program would seek to build trust between counterparts and provide mechanisms for working through complex scenarios together.

The primary focus for the Yemeni Action Initiative is on urgently stabilizing actions to seek to avert state collapse

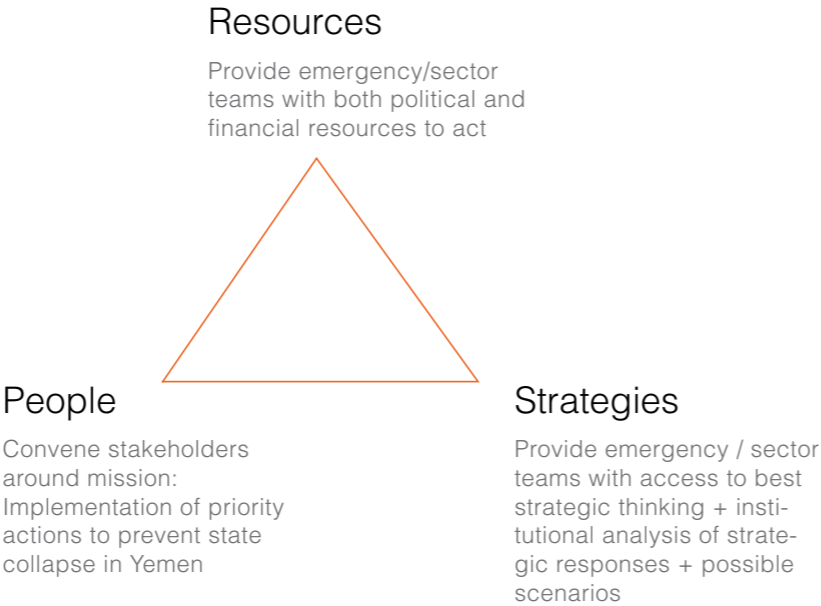
It is not limited to humanitarian / development / political / governance outcomes. Track 1/2 negotiations are apposite to objectives

The secondary focus is to ensure that five sectors – such as Energy, Food, Water - are strengthened if and when the state goes into decline

Core Process

The core process is designed to form and support Action Teams which are: Agile, Multi-Stakeholder, Action-Orientated and take a Prototyping Approach

Pre-Conditions To Launch Process

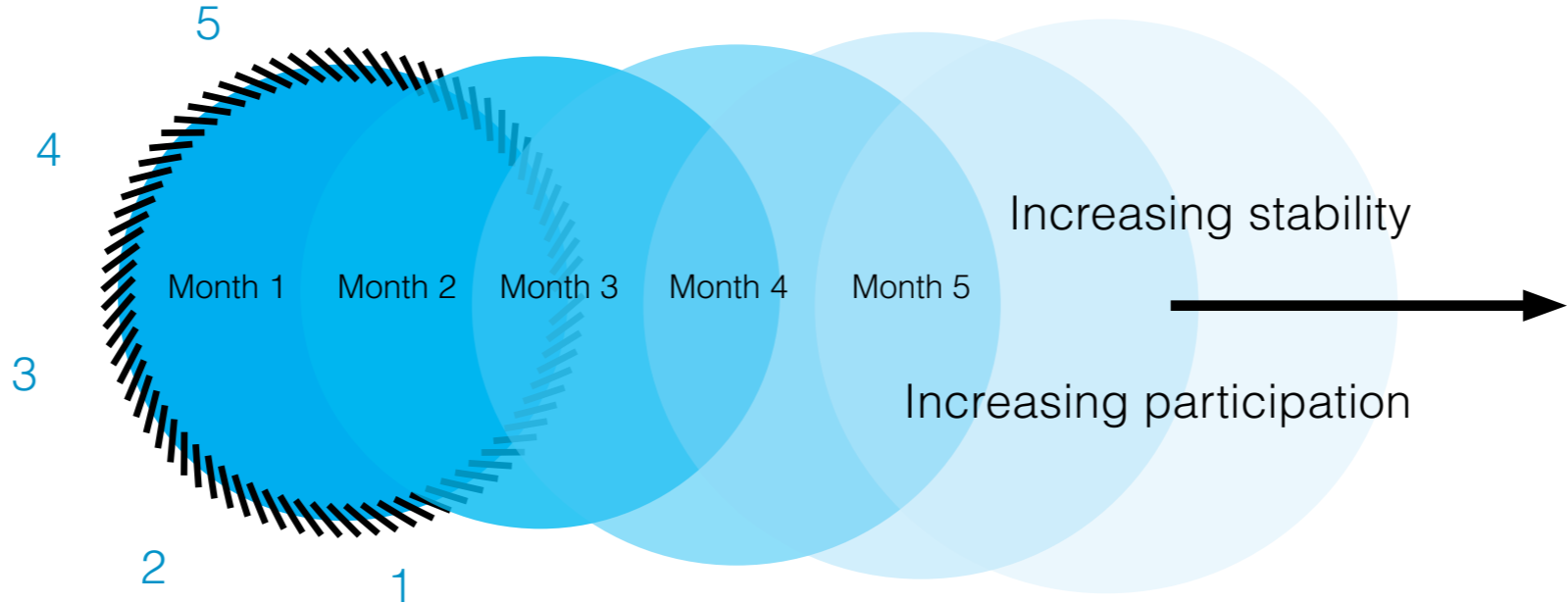


Agile Action Cycles: Monthly Processes:

Iterative process that factors in changes due to wider context, disbursement of money, actions of our teams and constitution of teams

- 1 Develop shared understanding of situation (from second meeting include review of actions).
- 2 Develop (or review) criteria for actions required to achieve stabilization
- 3 Niyyah – Prior to action develop shared intention in response to situation
- 4 Surface wide range of possible actions, cluster and prioritize Converge to top 6-8 as priority actions, form action teams, charter teams
- 5 Sign-Off Fund monthly disbursement

Agile Action Cycles: Monthly Processes:



Project Plan:

Two Phase Approach:

July – August 30 2011 Preparation, signing of MoUs, September Roll Out Phase 1, December Roll Out Phase 2

Project Plan

Phase 1 Emergency Stabilisation

Sept 11	Oct 11	Nov 11
\$10m	\$15m	\$20m
36	42	60

Phase 2 Sector Stabilization: Forming 5 Multi-sector Agencies

Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12
\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$0
36	42	60	72	84	96	108	120	120
\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$0
36	42	60	72	84	96	108	120	120
\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$10m	\$0
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- 5 Sectors**
- e.g. Food & Agriculture MS Agency
 - e.g. Water MS Agency
 - e.g. Energy MS Agency
 - e.g. Public Health MS Agency
 - e.g. Entrepreneurship MS Agency

Phase 1: Emergency Stabilisation

Each month “emergency” teams decide on top 6-7 priority actions to be implemented, consensus agreements not required. Sole condition for fund disbursement is that each action must obtain consent from each individual team comprised of government, civil society and business – but overall consent from full cohort not required.

- Each month the group’s overall number of participants is increased incrementally by 12 to maintain trust and momentum.
- Participants return to Secretariat each month to report back on success of actions and agree next priority actions.
- Program operates on assumption that some actions may fail as envisaged.
- Every month conduct a peer-assessment process with wider stakeholder group including donors and technical experts. If results are obtained within 3 months, the process will continue to Phase 2: Sector Stabilisation..

Phase 2:

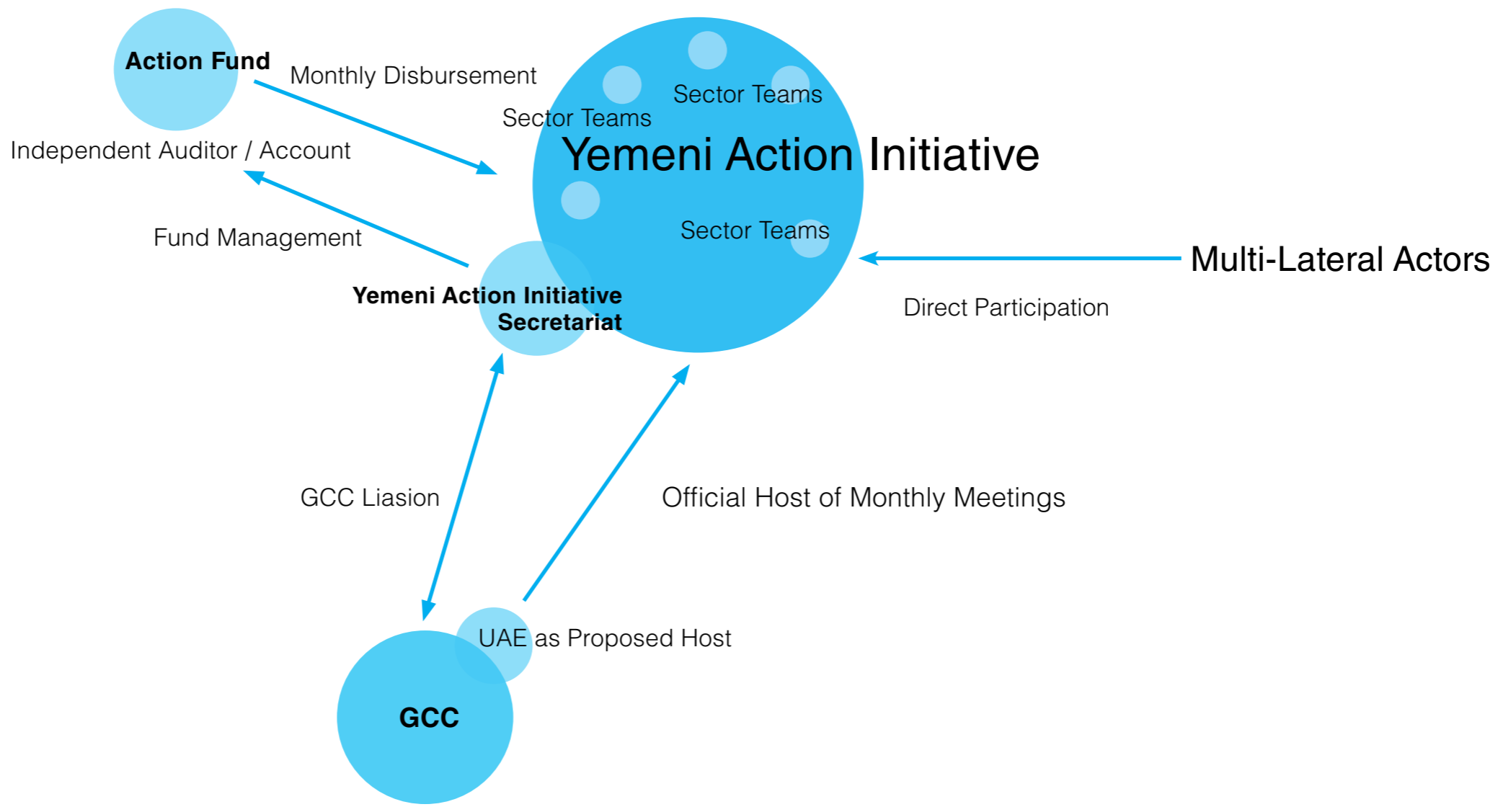
Convene 5 new “sector teams” that each comprise of 36 members drawn from civil society, business and government. The 5 initial “sector” teams of 36 will meet monthly for 3.5 working days. Each month, sector teams will grow incrementally. Priority actions are determined at each monthly meeting.

Five sectors may include but not limited to: Food Water Energy Entrepreneurship Agriculture ICT Public Health Education Science Technology Water Urban Development Anti-Corruption.

Each sector teams will forms a multi-stakeholder agency, comprised of a diverse range of key stakeholders within a particular sector. Each agency will focus on implementation of priority actions to stabilize that sector over the course of 8 months

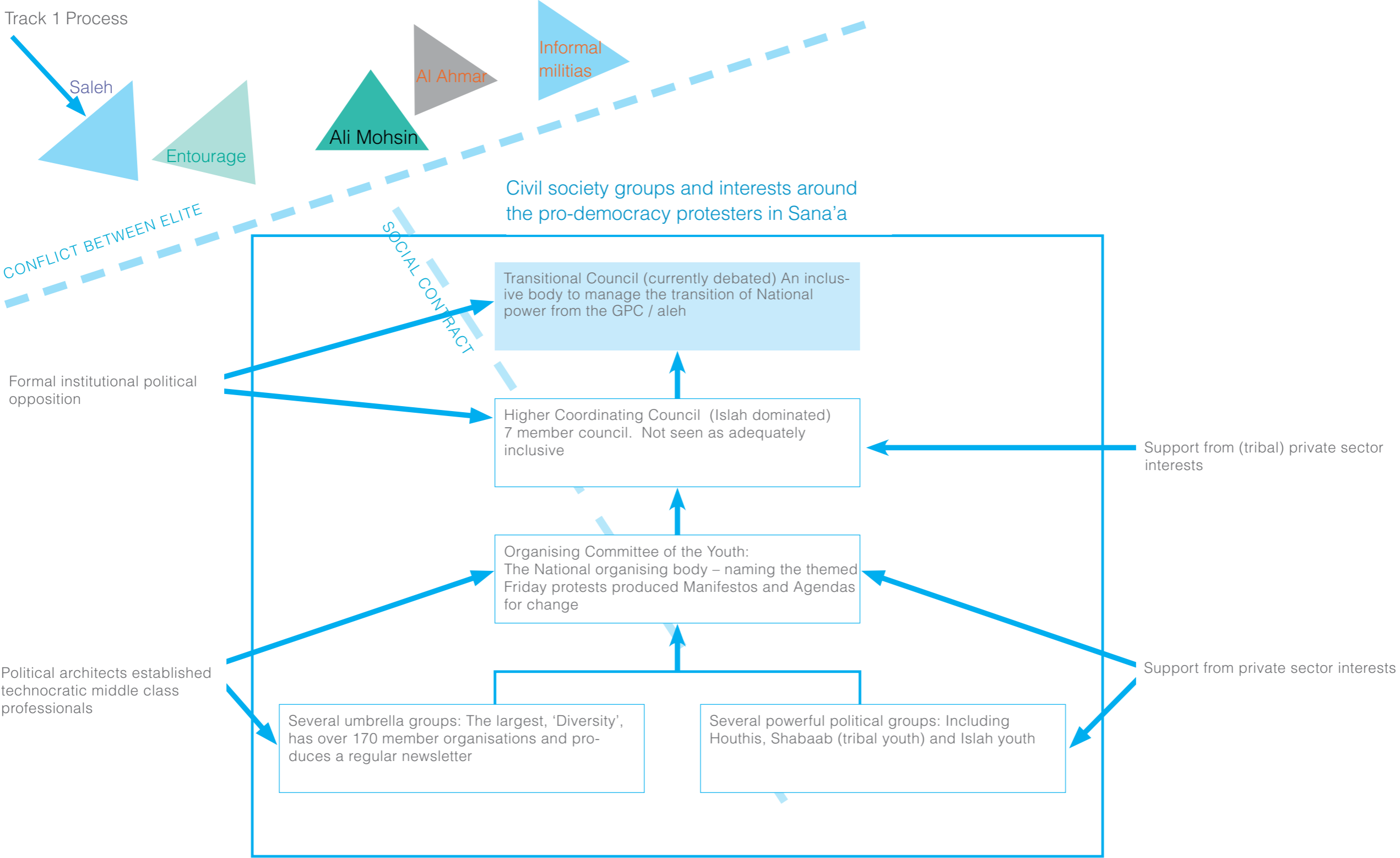
Org Relationships

Stakeholders will be organized to engage directly with the Yemeni Action Initiative, either through direct participation in the process or in a supporting role.



Yemeni Stakeholder Team

The Yemeni Action Initiative team consists of both Yemeni and non-Yemeni stakeholders all of whom are on the ground, drawn from government, business and civil society:



Yemeni Action Fund capitalisation + Secretariat

Fund Capitalisation

- \$45m USD unrestricted, committed (disbursed under Secretariat control, not pledged) to seed the Yemeni Action Fund is needed before September 2011 Yemeni Action Initiative launch.
 - The fund is to be held in escrow account, administered, audited by neutral third party such as PWC.
 - Fund structure registered with a UAE Emiri decree, able to perform activities as mandated by accepted international and national statutes.
1. Endow \$45m USD by September 2011
 2. Restructure, Review Fund 1 December 2011
 3. Endow \$400m USD in December 2011
 4. An option to scale to an additional, subsidized 3 year approach is available where sponsors provide the annual running costs of the Secretariat, while the team builds a strong internal capability and resources to establish a structured fiduciary fund approach to awards giving and fund raising to exit out/handover and transfer to Yemeni / GCC stakeholders, moving secretariat to within Yemen as appropriate.
 5. The Yemeni Action Initiative envisages disbursements process part of Reos Partners Model, decided during monthly meetings, full documentation and oversight throughout.

Fund Implementation

- Secure Exception and Tax Status Clarification
- Approved Fund / Emiree Decree
- Incorporation of Fund
- Gain approval from relevant UAE Diwan on administration selection

Fund Administration Expenses

- Compensation & Benefits
- Professional, Legal & Accounting Fees

The Secretariat

- An initial grant in advance is needed to cover Yemeni Action Initiative Secretariat operating and convening costs or 12 months. Proposed operating budget assumes no formal fund raising activity will take place during program.
- Personnel: 14 executives / specialists / operational staff Administrative oversight
- Lean organization comprised of Reos Partners, GCC stakeholders
- Oversight of convening teams
- Liaison between all actors
- Permanent base in GCC, preferably Abu Dhabi
- Full logistic and operational support provided throughout Yemen Action Initiative



Reos

Reos Partners is an international organisation dedicated to supporting and building capacity for innovative collective action in complex social systems. We organise, design and facilitate results oriented multi-stakeholder change processes with business, government and civil society organisations.

Reos Partners has offices in Cambridge (MA), the Hague, Johannesburg, Melbourne, Oxford-London, San Francisco, and Sao Paulo.

Our name comes from the Greek rheos, which means flow or stream.