

# The Yemen Review

AUGUST 2018







## The Yemen Review

***The Yemen Review** is a monthly series produced by the Sana'a Center for Strategic Studies. It aims to identify UN-led efforts to resolve the conflict in Yemen and contextualize these efforts relative to political, security, economic, humanitarian, and human rights developments on the ground.*

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*This month's report was developed with the support of the Kingdom of the Netherlands and the Friedrich-Ebert Yemen office.*

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The Port of Aden in August 2018  
Photo Credit is: Ahmed Shihab Al-Qadi

### **The Sana'a Center for Strategic Studies**

is an independent think-tank that seeks to foster change through knowledge production with a focus on Yemen and the surrounding region. The Center's publications and programs, offered in both Arabic and English, cover political, social, economic and security related developments, aiming to impact policy locally, regionally, and internationally.

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## Executive Summary

In the last six days of August the Yemeni rial entered one of its steepest and most rapid declines in value since the conflict began, resulting in sudden price spikes for basic foodstuffs. Given Yemen's overwhelming dependence on imports to feed the population, such changes in the rial's value have direct implications for the country's humanitarian crisis (see 'The Yemeni Rial's Rapid Decline and Food Prices Surge').

Both the internationally recognized Yemeni government in Aden and the Houthi authorities in Sana'a took actions through last month targeting unlicensed money exchange firms – that have proliferated since the conflict began in 2015 – in an effort to curb their destabilizing effect on the currency market (see 'Attempts to Curb the Influence of Unlicensed Money Exchange Firms').

A Saudi-led military coalition airstrike hit a bus in the Dahyan market in Yemen's Sa'ada governorate, killing 54 people, 44 of them children. The coalition initially defended the strike as a "legitimate military action." However, following mounting international pressure – including from the US Department of Defense – the coalition admitted that the strike was unjustified and said it would hold accountable those found responsible (see 'Coalition Bombs a Bus Full of Children').

A group of international experts, mandated by the UN to investigate human rights violations in Yemen, published its first report. The group reported that it found reasonable grounds to believe that the governments of Yemen, the UAE, and Saudi Arabia, and Houthi and allied forces have all committed war crimes (see 'Group of Eminent Experts Publishes Its First Annual Report').

Throughout August, the UAE-backed Giants Brigades, supported by Saudi-led military coalition aircraft, made advances in al-Durayhimi district, Hudaydah governorate. The coalition's bombing of al-Durayhimi killed dozens of civilians, including 22 children (see 'Anti-Houthi Offensives in Hudaydah Governorate').

In Taiz, tensions between the UAE-backed Abu al-Abbas Brigades and Islah-affiliated units – both members of the coalition-backed forces fighting the Houthis – broke out in clashes. Dozens of civilians were reportedly killed. Meanwhile, suspected southern separatist gunmen attacked a military academy graduation ceremony in Aden, killing a cadet (see 'Other Military and Security Developments').

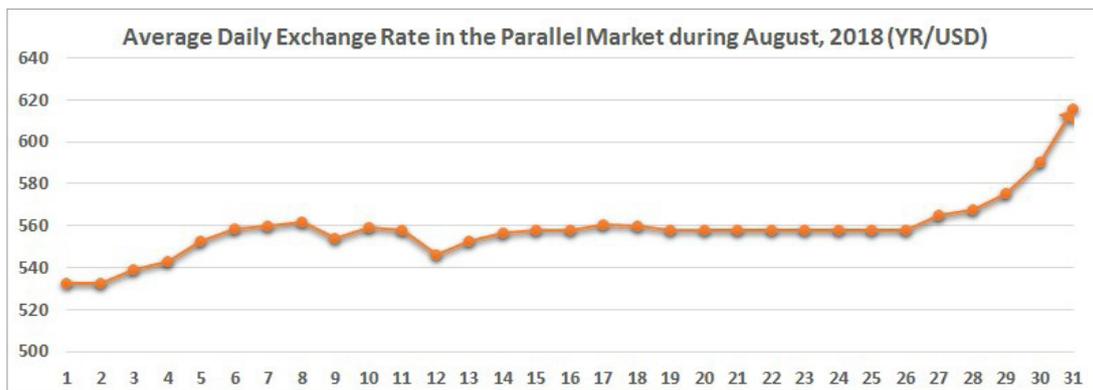
The UN Special Envoy for Yemen Martin Griffiths told the UN Security Council (UNSC) he was planning to hold consultations with the main warring parties September 6 in Geneva, where they would discuss a framework for peace and confidence building measures (see 'Special Envoy's Plan for Consultations With Warring Parties in Geneva').

President Donald Trump signed National Defence Authorization Bill (NDAA) for 2019, which includes an amendment that requires certification that the coalition is taking efforts to avoid civilians casualties, is committed to ending the conflict, and is taking measures to alleviate the humanitarian emergency. In his signing statement, Trump said his powers as commander-in-chief override the amendment (see ‘Developments In the United States’).

Also in August, the UN Children’s Fund (UNICEF) warned that the education of 3.7 million children in Yemen’s north was at risk in the upcoming school year. Meanwhile, the World Health Organization (WHO), UNICEF and health authorities in Yemen launched the second of three phases of the first-ever oral cholera vaccination campaign in Yemen (see ‘Humanitarian Developments’).

# The Yemeni Rial's Rapid Decline and Food Prices Surge

As of September 2, the Yemeni rial (YR) was trading at almost YR620 to the US\$1 in parallel markets, a loss of roughly 17 percent in value since August 1 when the exchange rate was YR530 to the US\$1. When the Saudi-led military intervention began in March 2015 the exchange rate was YR215 to the US\$1, and thus since then it has become close to three times more expensive for Yemenis to purchase foreign currency. In the last six days of August, the YR entered one of its steepest and most rapid declines since the conflict began. As of September 6, the rial had recovered slightly, to YR600 to the US\$1.



Source: CBY data

Given Yemen's dependence on imports – before March 2015 the country imported as much as 90 percent of its basic commodities – any change in the YR's value has direct implications for local purchasing power and the population's ability to feed itself.

According to the Sana'a Center economic unit, the cause of the YR's recent steep decline in value appeared to be an intersection of factors: a mix of increased demand for foreign currency and market speculation. Regarding the former, the period prior to the annual Muslim Eid al-Adha holiday, which this year occurred August 20-21, traditionally sees an increase in remittances sent home from Yemenis abroad. The spike in remittances in the weeks running up to this year's holiday helped account for the YR's relative stability between August 6 and August 26 and funded increased consumer purchasing in Yemen. During the period following the holiday, when merchants' stocks are depleted but their wallets are flush with cash, there is typically increased local demand for foreign currency to purchase imports and replenish stocks.

The latter half of August also saw oil prices increase internationally, with the benchmark West Texas Intermediate crude rising from roughly US\$65 per barrel on August 16 to almost US\$70 as of September 1. It is highly likely that fuel importers in Yemen, in anticipation of further oil price rises, began buying US\$ out of the market through this period to purchase new orders.

In regard to speculative market factors weighing on the YR, in mid-August the Yemeni government announced the issuance of a new YR200 banknote. This garnered significant media attention in Yemen. Currency traders then began anticipating an increase in the domestic money supply and factored this into their YR pricing accordingly.

This came on the heels of the Aden-based Central Bank of Yemen's (CBY) July implementation of a new mechanism to support commercial imports of basic commodities, which would make use of US\$2 billion in Saudi financial support made available to the central bank this spring. Market anticipation of increased foreign currency supply from the Saudi support had been among the factors mitigating the YR's decline. However, the CBY's roll-out of the import support mechanism was generally regarded as excessively long and the eventual requirements for importers to access support cumbersome. In the end, the CBY's first batch of letters of credit for basic commodity imports, issued July 31, amounted to just US\$20.4 million, while it is common market understanding that interventions below US\$100 million do not noticeably impact the money supply. This less-than-expected splash from the Saudi financial support caused currency traders to re-evaluate their expectations regarding the aid's future impact.

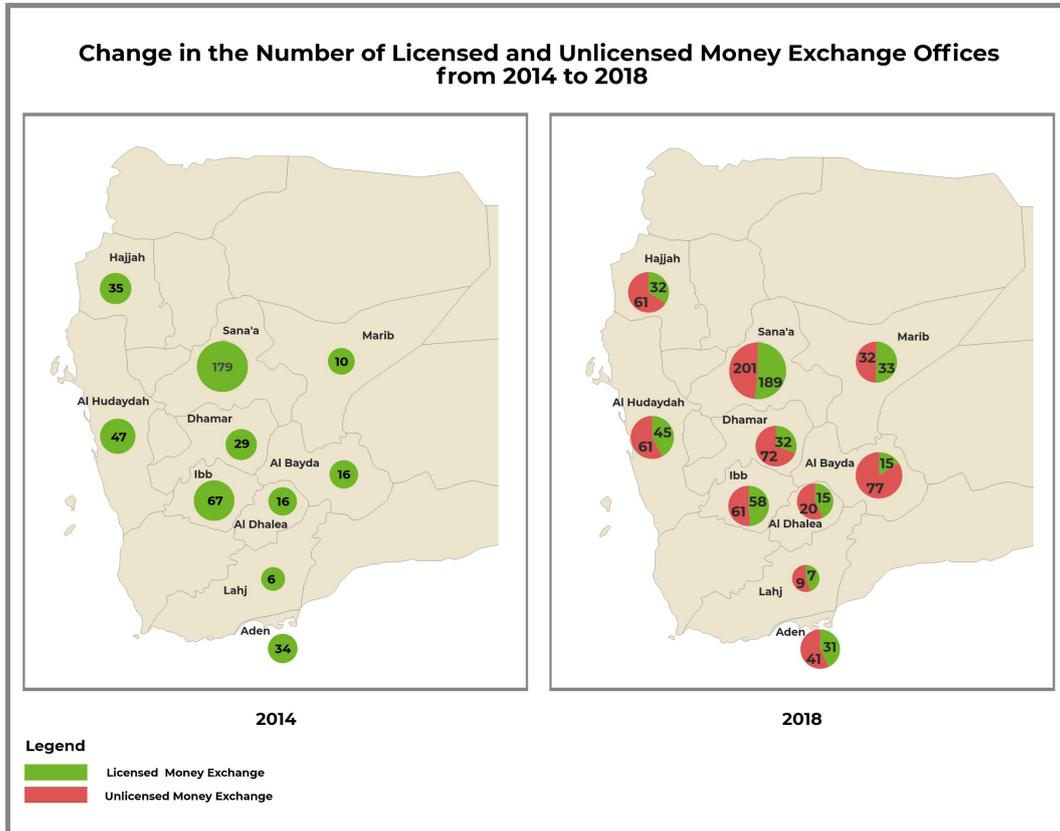
### ***Implications of the Rial's Depreciation***

At the end of August, the Sana'a Center economic unit conducted a rapid, two-day survey of ten retailers of basic food commodities across Sana'a governorate. It found that between the beginning of July and the end of August there were retail price increases in food stuffs such as wheat grain (25 percent), wheat flour (17 percent), sugar (11 percent), rice (37 percent) and vegetable oil (26 percent). Retailers said the recent YR depreciation was the cause of their higher prices, given that merchants generally set their current retail prices based on the anticipated cost of restocking inventory. Follow up with the traders indicated that, in response to continued YR depreciation between the end of August and early September, they had further increased retail prices for food stuffs to compensate their loss of purchasing power.

### ***Attempts to Curb the Influence of Unlicensed Money Exchange Firms***

Since March 2015, hundreds of unlicensed money exchangers have opened across Yemen, often as part of networks affiliated with larger, licensed and more established firms. While overall unlicensed firms still handle far less volume than the top-10 largest licensed firms, the former's attempts to capture market share through aggressive pricing has had oversized influence on the rial exchange rate. According to

the CBY's 2014 annual report, there were 605 licensed money exchangers operating in Yemen in 2014 and no unlicensed ones. A confidential market study last year by a high-level member of the banking sector, made available to the Sana'a Center, found that the number of money exchangers in Yemen had increased to more than 1,350 by 2017, including an estimated 800 unlicensed money exchange offices.



Source: Sana'a Center Economic Unit survey. Credit: Ghaidaa Alrashidy

\*Note that the numbers contained reflect estimates for licensed and unlicensed money exchange offices in main urban centers only, and do not represent a comprehensive data set.

## In Aden

In response to the YR's declining value through July and early August, on August 5 the CBY in Aden launched a broad campaign to rein in the number of unlicensed money exchangers operating in areas under the administrative control of the Yemeni government.

In Aden, the CBY's campaign there had resulted in the closure of more than 130 unlicensed money exchangers, with most of these up and running again within days.

On August 13, CBY Governor Mohammad Zammam issued a decree containing 12 articles aimed at regulating the conduct of money exchangers. The most important of these regulations included (a) the allocation of a set number of money exchangers per geographic area, and, (b) increasing the capital requirements for firms in the money exchange market.

Yemeni President Abdo Rabbu Mansour Hadi, seeking to address the YR's woes, issued a presidential decree on August 8 for the formation of a national economic committee, headed by Yemeni banker Hafedh Mayad, the former chairman of the Cooperative and Agriculture Credit (CAC) in Yemen, and current chairman of CAC International Bank, based in Djibouti. On August 27, President Hadi issued another presidential decree naming the other six members committee members: Minister of Finance Ahmed Obaid al-Fadhali; CBY Governor Mohammad Zammam; former head of the national tax authority Ahmed Ghalib, former Minister of Finance and former CBY Governor Monasser al-Quaiti; former Deputy Chairman of the Accountability and Monitoring Organisation, Obaid Shoraim; and, the General Manager of the International Bank of Yemen, Ahmed Thabet. While the committee's publicly stated responsibility will be to stabilize the local currency, the details of its mandate were not available as of this writing.

### *In Sana'a*

In early August, the official syndicate of money exchangers, based in Sana'a, issued a circular urging all money exchange firms to cease operations until the local currency stabilized. On August 6, the Banking Supervision Sector of the Sana'a-based CBY then issued a circular to all money exchange companies, informing them of which companies the Sana'a-based CBY would continue to authorize until March 2019. (Money exchange business are required to renew their licenses annual, with the renewal deadline being March of each year). The approved list included: Suwaid Company for Exchange and Brothers, Al Akwa'a Company for Exchange, Al Hatar Company for Exchange, Al Yabani Company for Exchange, Al Jazeera Brothers Company for Exchange, Al Hazmi Company for Exchange, Al Mareessi Company for Exchange, Al Muntab Company for Exchange, Al Nasser Company for Exchange.

The CBY circular also warned licensed exchangers against selling foreign currency or covering international transfers in areas outside of Houthi control. Given the more severe shortage of YR banknotes in Houthi-controlled areas relative to Yemeni government-controlled areas, the rial is worth, on average, YR 5 more vs the US\$ in Houthi-controlled areas. The CBY circular also warned money exchange firms against receiving transfers from Yemeni government-controlled areas in excess of YR 5 million; beyond this the transfers require advanced approval from a payment and foreign currency committee established in October 2017. The circular also warned that money exchange firms caught violating these guidelines would have their license revoked.

The Sana'a Center economic unit's assessment is that the above-mentioned circular was intended to curb the influence of unlicensed money exchangers. On August 26, the Sana'a-based CBY issued another circular explicitly prohibiting all dealings with the following five money exchangers: Dadihi, al-Qasami, al-Hadari for Exchange, al-Mustaqbal, and al-Hazmi Company for Exchange. These blacklisted firms are relatively small by market standards. On September 2, the Houthi authorities then ordered the closure of all money exchangers in Sana'a, though most had resumed operations as of the end of the first week of September.

*Other Economic Developments in Brief*

- **August 1:** President Hadi arrived in al-Mahra to mark the launch of a number of Saudi-funded infrastructure projects in the southeastern governorate. He was greeted at the airport by Mohamed Al Jaber, Saudi Arabia's ambassador to Yemen. The visit — Hadi's first as president — came shortly after protests over the Saudi-led military coalition's presence in al-Mahra governorate (See "Yemen at the UN — July Review")
- **August 4:** Demonstrations began in Aden over rising prices and a lack of public services, centered on the al-Sheikh Othman, al-Mansura and Dar Saad districts.
- **Mid-August:** Saudi-backed forces along the Yemen border with Oman began enforcing a customs tariff of 100 percent on goods entering Yemen.

# Coalition Bombs a Bus Full of Children

On August 9, a Saudi-led military coalition airstrike hit a bus in the Dahyan market in Yemen's Sa'ada governorate, killing 54 people, 44 of them children, and injuring dozens more. The children had been attendees of a religious summer camp. The Houthi owned Al-Masirah TV broadcasted footage from the aftermath showing children's bodies covered with blood and others still alive with limbs missing.

## *UN Response*

Within hours United Nations Secretary-General António Guterres issued a statement condemning "the air strike today by the Coalition forces in Sa'ada." The UN Special Envoy for Yemen Martin Griffiths also issued a short public statement soon after the incident, offering condolences to the families affected and saying he was "deeply shocked by the appalling tragedy" but without attributing blame.

On August 10, UNSC member states Bolivia, Sweden, Poland, the Netherlands, and Peru requested a council session regarding the airstrike. This session occurred the same day and UN Assistant Secretary-General, Tayé-Brook Zerihoun, gave the council a closed-door briefing. Following this, Karen Pierce, UK Ambassador to the UNSC and council president for August, delivered the UNSC's media statement, which is developed by consensus among all council members. In it she said that council members expressed their "grave concern" regarding all recent attacks in Yemen, called on "all parties" to abide by their obligations under international humanitarian law, and called for a "credible and transparent investigation" without specifying whom should conduct it.

Also August 10, 17 international non-governmental organizations (INGOs) operating in Yemen released a joint statement saying they "strongly condemn the horrific Coalition airstrikes in Sa'ada," and called for an investigation by an independent panel of UN experts. The next day, Saudi Arabia's Permanent Representative to the UN Abdullah Bin Yahya al-Mouallimi delivered a letter to the UNSC describing the bombing as a "legitimate military action" and that it had targeted "Houthis leaders who were responsible for recruiting and training young children, and send them back to battlefield."

## *US Legislators and the Pentagon Respond*

On August 12, Secretary of Defence Jim Mattis said that he had dispatched a three-star general to Riyadh on what officials termed a "fact-finding mission" regarding the coalition airstrike on the bus. The Pentagon said that Lt. Gen. Michael Garrett urged Saudi Arabia to conduct an investigation into the airstrike and make its findings public.

Referencing the coalition bombing in Sa'ada, on August 14 United States Senator Elizabeth Warren (D-Ma.), a member of the Senate Armed Services Committee, issued a letter to the head of US Central Command Gen. Joseph Votel. In it she asked him to clarify his previous congressional testimony regarding the Pentagon's knowledge of coalition targets and involvement in their vetting.

In March this year Votel testified that the US was not privy to information regarding the intended missions of the aircraft that it refuels, and that in the aftermath of strikes, it would not be possible to identify whether US-fuelled aircraft were involved. Votel also stated that it was not possible to ascertain whether the coalition used US-made weapons in such strikes.

In her letter, Warren cited an investigation by The Intercept based on a "US intelligence report" regarding an airstrike in Sa'ada last May. The report gave a detailed account of the strike and suggested that US officials were present at the coalition command center at the time of the attack's approval and execution – findings Warren said would contradict Votel's testimony.

Also on August 14, Congressman Ted W. Lieu (D-CA) wrote a letter to the acting inspector general of the Department of Defense (DoD), Gen. Glenn Fine. In it Lieu called for an investigation to assess whether US support for the coalition is in violation of the DoD's rules and regulations, or US and international law. Lieu said that "a number of the Coalition's airstrikes look like war crimes," and called for an independent review of US operations in Yemen.

On August 17, CNN reported the results of its investigation into the strike – which involved "local Yemeni journalists and munitions experts" – that indicated that the bomb used was supplied by the US as part of an arms deal sanctioned by the US State Department. CNN said the bomb used was a 227kg laser-guided MK82 made by US defence contractor Lockheed Martin.

A report by investigative website Bellingcat said that the photo evidence that CNN's report largely relies on – displaying a US Department of Defence (DoD) serial number – was not taken in at the site of the strike and is thus inconclusive. Bellingcat did, however, add that the size of the crater left by the strike was consistent with low-end estimates for the MK82 bomb. The DoD database shows that the fragment shown in the photo belonged to one of 4,020 guided bombs that the US approved for sale to Saudi Arabia in 2015.

In an interview with the New York Times published on August 27, Lt. Gen. Jeffrey L. Harrigian said that there is a "level of frustration" to be recognized regarding the attack and that "they [the Saudi-led military coalition] need to come out and say what occurred there."

During a Pentagon press briefing the next day, Defense Secretary Mattis said that US support for the Saudi coalition was "not unconditional," but added that support would continue, citing no evidence of "callous disregard" by the coalition of civilian lives in Yemen. He added that US assistance rested on the conditions that all efforts are made to avoid civilian deaths in coalition operations, and support for the US-brokered peace process. Mattis said that the Pentagon "constantly" reviews the assistance it provides the Saudi-led military coalition and claimed that the US has

played a role in reducing civilian deaths through training and the establishment of no-fire zones around civilian infrastructure. The top Democrat on the Senate Foreign Relations Committee, Sen. Robert Menendez (D-NJ) rejected Mattis' claim, saying, "it's hard to explain that hitting a school bus is something we're doing that is a better result."

### *Saudi Arabia Admits Culpability*

On September 1, the Joint Incidents Assessment Team (JIAT) – a body established by members of the Saudi-led military coalition in 2016 – stated that the airstrikes were carried out based on intelligence that the bus was carrying Houthi leaders, who alone would have been a legitimate military target. However, as JIAT legal advisor Mansour Ahmed al-Mansour told reporters in Riyadh: "There was a clear delay in preparing the fighter jet at the appropriate time and place, thus losing [the opportunity] to target this bus as a military target in an open area in order to avoid such collateral damage."

In response, the coalition's Joint Forces Command (JFC) issued a statement in which it accepted the JIAT's findings, expressed regret over the mistakes, and extended its "sympathies, condolences and solidarity to the families of the victims."

The statement continued: "The Joint Forces Command will, as soon as the official findings are received, undertake legal proceedings to hold the ones who committed mistakes accountable according to the rules and regulations related to such cases, and continue to revise and enhance its Rules of Engagement, according to operational lessons learned, in a manner that guarantees non-recurrence of such incidents."

The JFC added that it would seek to compensate those affected.

# Human Rights and War Crimes Developments

## *Group of Experts Publishes Its First Report*

On August 28, the group of eminent international and regional experts, mandated by the UN to investigate violations of human rights and other international laws committed by parties to the Yemen conflict since September 2014, published its first report.

The group reported that it found reasonable grounds to believe that the governments of Yemen, the UAE, and Saudi Arabia, and Houthi forces have all committed human rights violations and violations of international humanitarian law, with the latter violations possibly amounting to war crimes in several cases. The group also submitted a list to the High Commissioner of Human Rights containing the names of those individuals whom are likely culpable for attacks on civilians and civilian infrastructure, restrictions on humanitarian access, arbitrary detention, enforced disappearances, torture and other ill-treatment, violations of the freedom of expression, sexual violence and the recruitment and abuse of children.

The report says that states participating in the Yemen conflict were not fulfilling their obligations to investigate and prosecute violations committed by their respective armed forces and nationals. It adds that Yemen's National Commission of Inquiry — which has received technical assistance and other support from the UN — and the Joint Incidents Assessment Team (JIAT) of the Saudi-led military coalition both lack independence.

The new High Commissioner for Human Rights and former President of Chile, Michelle Bachelet, is to present the group's first report to the HRC in the latter's 39th regular session in September 2018, during which the renewal of the group's mandate will be discussed and decided upon.

## *Human Rights Watch report on JIAT*

On August 24, Human Rights Watch (HRW) published a 90-page report on the JIAT, a body established by members of the Saudi-led military coalition in 2016 to investigate incidents during the Yemen conflict. The report “describes factual and legal discrepancies between JIAT and Human Rights Watch reporting and analysis in 17 [air] strikes.”

HRW found that the JIAT was flawed and its findings contradictory. Among other shortcomings, HRW said the JIAT had not investigated the abuses against detainees in secret prisons, run by the UAE and the forces it backs in Yemen's southern governorates. It further lacked information and evidence as well as explanations of

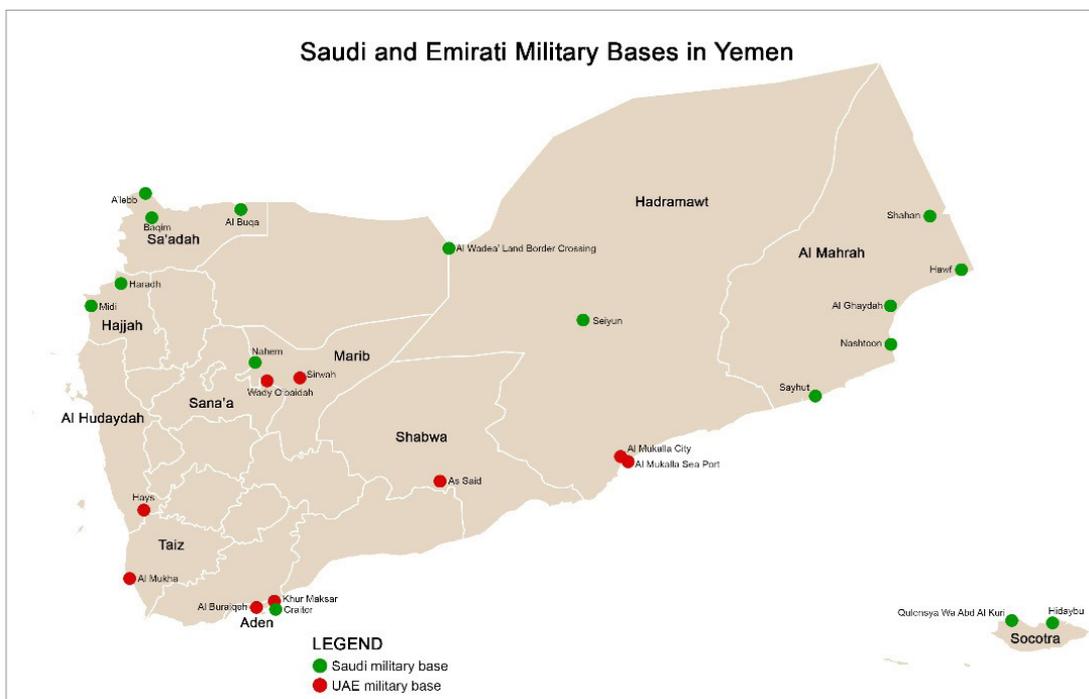
its methodology and the type of sources used, HRW added. It further stated that the Saudi-led military coalition had not provided any form of redress to the victims of the violations of international humanitarian and human rights law it had committed in the Yemen conflict.

The HRW report included recommendations for Saudi Arabia, the UAE, the Yemeni government, Houthi forces, the JIAT, UNSC member states, UN Human Rights Council member states, and states supporting the Saudi-led military coalition such as the US, the UK, and France.

In 2017, none of the states participating in the Saudi-led military coalition replied to questions related to the JIAT that HRW addressed them with. This year, 2018, HRW received a single written response from Qatar, which was expelled from the coalition in June 2017.

### *Other Human Rights and War Crimes Developments in Brief*

- **August 10:** Houthi authorities refused to renew the visa of Elobaid Elobiad, head of the UN human rights office in Yemen, which had expired in June. He has been based in Yemen since October 2016.
- **August 18:** According to the local online newspaper al-Masdar, a Houthi sniper killed journalist Ahmed al-Masa’abi while he was covering clashes between Yemeni government troops and Houthi forces on the al-Malajem frontline in al-Bayda governorate.



Source: Sana'a Center research. Credit: Ghaidaa Rashidy

# Anti-Houthi Offensives in Hudaydah Governorate

Throughout August, the UAE-backed Giants Brigades, supported by Saudi-led military coalition aircraft, made advances in al-Durayhimi district, Hudaydah governorate — a strategic entrypoint to Hudaydah city. The renewed offensive against Houthi forces in the district began on August 1, with a drive toward the main town of al-Durayhimi — around 20 km south of Hudaydah city — from positions to the northwest.

On August 19, the Giants Brigade announced that it had taken the majority of the district, including local government offices and the police station in the besieged town. Coalition-backed forces also targeted Houthi positions in Bayt al-Faqih district and took the center of al-Tuhayta district in southern Hudaydah governorate.

## ***Coalition Airstrikes Kill Dozens, including 22 Children***

On August 22, an airstrike hit a house in al-Durayhimi district, killing four and injuring two civilians. The day after, another airstrike killed at least 27 civilians, including 22 children, while fleeing the fighting in al-Kawei village in the same district. The UN Country Team in Yemen reported both incidents. According to the local online newspaper al-Masdar, Houthi forces refused to let the Red Cross medical team enter central al-Durayhimi.

On August 24, Mark Lowcock, the UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, issued a statement raising concerns over the recent attacks in Yemen. He called for an impartial, independent and prompt investigation into these most recent incidents. The Yemeni government then accused UN agencies of bias, and of basing their claims on information fed to them by the Houthi-run Ministry of Health in Sana'a. They also claimed that the August 22 deaths were the result of a Houthi-fired missile.

## ***Explosions Hit Densely Populated Areas in Hudaydah City***

On August 2, 55 civilians were killed and 170 injured in explosions in Hudaydah city, according to the International Committee of the Red Cross (ICRC). These included one in a fish market and another at the entrance of al-Thawra Hospital, a ICRC-supported medical facility and one of Hudaydah's busiest institution. Two ambulances were also destroyed. At the time of the attacks, both the fish market and a street in front of al-Thawra Hospital were densely crowded. The hospital continued to operate following the airstrikes.

On August 6, 20 humanitarian and human rights organizations released a joint statement condemning the attacks and calling for an immediate investigation into the incidents. The Sana'a Center is aware of an ongoing independent investigation into the explosions to attribute culpability.

On August 16, Houthi forces then shelled al-Thawra public hospital in Taiz, injuring one nurse, a guard in the emergency ward and one of the patients, according to the Public Health and Population Office in Taiz.

## Other Military and Security Developments

### *UAE-backed Abu al-Abbas Brigades Clash With Islah Affiliated Forces*

In Taiz city, southwestern Yemen, clashes broke out between the UAE-backed Abu al-Abbas Brigades and Islah-affiliated military units, some members of which are loyal to Yemen's Vice President Ali Mohsen al-Ahmar. Both parties are members of the coalition-backed forces fighting the Houthis.

Fighting between the two groups began on August 8 and was concentrated in the east of Taiz city, which has been under de facto control of Abu al-Abbas' forces for more than two years. Dozens of civilians were reported killed or wounded in the fighting. President Hadi held an emergency meeting with Taiz governor Amin Mahmoud in Aden on August 11, during which Hadi announced the creation of a presidential committee to end the violence. On August 14, Mahmoud survived an assassination attempt when an IED detonated near to his convoy in Emna, northwest of Aden city.

As part of a truce agreement brokered by a presidential committee on August 16, both the Abu al-Abbas brigades and Islah-affiliated national army units agreed to withdraw from positions within Taiz city, and relocate medium and heavy weaponry from inside Taiz city to frontlines to the north. On August 18, the committee reportedly stated that all positions had been handed over to the Presidential Guard.

On August 25, Abu Abbas announced the permanent withdrawal of his forces, saying that Islah had refused to evacuate positions agreed in the truce deal, and called on the Hadi government to provide unhindered evacuation for his forces from Taiz within a week. Islah disputed Abu Abbas' claim in a statement on August 27, saying that Islah is solely a political party, with no attached militia or members in the state military representing their interests. In an apparent reversal, Abu Abbas released a statement on August 30 saying his forces would not withdraw from Taiz. Abbas said the decision came following requests by President Hadi, Taiz governor Amin Mahmoud, and military leaders in the governorate that his brigades remain to avoid a security vacuum.

## ***Gunmen Attack Graduation Ceremony at Military Academy in Aden***

On August 18, gunmen attacked a military graduation ceremony in Aden, the Yemeni government's functional capital in Yemen, killing one cadet and injuring at least two others. The gunmen — reported by local and international media outlets as members of southern separatist groups — opened fire on the ceremony at Salah al-Din Military base in al-Buraiqeh district to the west of Aden, reportedly in protest over the flying of the Yemeni national flag. There were reports of pro-secessionist demonstrations later that day in al-Buraiqeh, with protesters blocking roads and bridges approaching the college.

President Hadi's office claimed in a statement that the First Brigade of the UAE-backed al-Hizam al-Amni (Security Belt forces) carried out the attack and called for the prosecution of leaders Brig. Gen. Munir Mahmoud Ahmad al-Mashali (as known as Abu Yamama) and Abdul-Nasser Rajeh al-Bahwa (a.k.a. Abu Hamman).

### *Other Military and Security Developments in Brief*

- **August 8:** Local Islah leader Arafat Hazam survived an assassination attempt in Aden city's al-Mualla district after an IED detonated on his vehicle. Following the attack, Islah called for a more active response from government security forces to the recent wave of assassinations in the city.
- **August 16:** Coalition-backed Yemeni government forces announced significant advances in Hayran district, Hajjah governorate, northwestern Yemen. Government forces captured the strategic Aahim junction connecting the border city of Harad to Hudaydah — a key supply line for Houthi reinforcements to the Red Sea port city.
- **August 16:** The Yemeni National Army took control of the center of Baqim district, Sa'ada governorate. Government forces also consolidated control over the main road between Sa'ada and Saudi Arabia during the first half of the month.
- **August 17:** Houthi officials announced the end of their unilateral suspension of attacks in the Red Sea. On August 4, Saudi Arabia had resumed oil shipments through the Bab al-Mandeb strait after a 10-day suspension following an attack on two oil tankers (See "Yemen at the UN — July Review")
- **August 25:** Brig. Gen. Rukn Sanad al-Rahwa, commander of the First Brigade of the Presidential Guard, survived an assassination attempt after an IED detonated on his convoy on a road connecting the districts of al-Buraiqeh and al-Shaab in Aden.
- **August 25:** Yemeni tribal figures said Houthi forces killed Ghalib al-Zaidi, a senior AQAP leader, while he was reportedly fighting alongside government forces in Marib governorate, central Yemen. Al-Zaidi was sanctioned by the UN for his alleged role in recruitment and financing for AQAP, and involvement in the planning and authorization of military operations in Marib.

## Special Envoy's Plan for Consultations With Warring Parties in Geneva

On August 2, UN Special Envoy for Yemen Martin Griffiths told the UNSC he was planning to hold consultations with the main warring parties September 6 in Geneva, where they would discuss a framework for peace and confidence building measures (for more about the council's meeting see 'Yemen at the UN – July 2018 Review'). Griffiths later specified that the talks would cover a transitional governance deal, disarmament and the withdrawal of armed groups, with other issues – such as the status of southern Yemen and the call by various groups there for secession – to be addressed in a future transitional period. On August 7, Griffiths then convened a two-day consultative meeting with 22 prominent Yemeni figures and women's rights activists in the United Kingdom.

In an interview on August 10, president of the Southern Transitional Council (STC) Aidarous al-Zubaidi said the Geneva talks would fail without the STC's inclusion and then threatened to take control of Hudaydah in retaliation – sentiments later reiterated by STC Acting Secretary-General Fadl al-Jaadi. In a public letter dated August 11 to the UN Special Envoy, al-Zubaidi demanded its inclusion in future negotiations and that issues specific to southern Yemen be included in any future consultations or negotiations. On August 16, the STC's secretary-general, Fadhl al-Jaadi, warned that the STC had “the full capacity” to spoil the UN consultations if the STC demands were ignored.

On August 13, Yemeni Prime Minister Ahmed Obaid Bin Daghir met with Gulf Cooperation Council (GCC) leaders in Riyadh to discuss the September 6 consultations. In a speech to representatives from GCC member states, Daghir said that the Yemeni government remained committed to the 2013-14 National Dialogue Conference outcomes – namely the creation of a decentralized federal state in Yemen.

On August 20, Yemen's Minister of Foreign Affairs, Khalid al-Yamani, outlined a number of confidence building measures that the Yemeni government delegation would advocate for in the Geneva consultations. This included prisoner exchanges, and public-sector salary payment and taxation in Houthi-controlled areas. He reiterated the Yemeni government's call for a full Houthi withdrawal from Sana'a, as per UNSC Resolution 2216.

On August 16, Houthi spokesman Mohammed Abdulsalam said that the Geneva consultations would be an “update of ideas, not negotiations on serious solutions.” In a televised interview Abdulsalam added that Houthi ballistic missile launches remained the primary concern of the international community and said that the end of prisoner exchange deals with the Yemeni government was an indication of bad faith. In reference to the Dahyan airstrike, Abdulsalam said, “we are not betting on the United Nations to stop the massacres.”

On August 29, the UN Special Envoy met with the STC President al-Zubaidi, and other STC leaders in Amman, Jordan. Following the meeting the Special Envoy's office issued a statement saying that al-Zubaidi had “affirmed the Southern Transitional Council's support for the efforts of the Special Envoy and the readiness to participate positively in the political process.”

# UN Panel of Experts Report

On August 10, the UNSC Sanctions Committee on Yemen held informal consultations to consider the non-public midterm report of the Panel of Experts (PoE) on Yemen. The committee heard a presentation by the PoE coordinator, Ahmed Himmiche, discussed the reports recommendations, and discussed a previous PoE report which had examined two attacks that Houthi forces had launched against commercial vessels in the Red Sea earlier this year

The PoE midterm report states that Iran is playing a constitutive role in peace negotiations. Nevertheless, the report states also that they still believed a transfer of ballistic missiles, anti-tank guided missiles and potentially surface to air missiles from Iran to Yemen took place after the imposition of the targeted arms embargo in April 2015.

The report also highlighted how the Yemeni government's "control over the security sector, including the justice and prison system, remains very weak, contributing to a culture of impunity and creating challenges for future state building efforts."

## *Developments In the United States*

On August 13, President Donald Trump signed National Defence Authorization Bill (NDAA) for 2019, which include an amendment that brings into law new certification requirements regarding US support for the Saudi-led military coalition in Yemen (See "Yemen at the UN – June 2018 Review"). The amendment requires the secretary of state to submit a report to Congress within 30 days certifying coalition efforts to avoid civilians casualties, its commitment to ending the conflict, and measures taken to alleviate the humanitarian emergency.

However, following the signing, the White House released a statement saying that the president's position as commander-in-chief overrides the power of Congress in relation to a number of the bill's provisions – including the two related to limits on US support for the Saudi-led military coalition. On August 30, a bipartisan group of nine senators then sent a letter to Secretary of State Mike Pompeo urging him to certify the coalitions activities in Yemen.

Also last month, on August 23, President Trump nominated Marine Lt. Gen. Kenneth McKenzie Jr. as the US's new commander in the Middle East. If approved by the Senate, McKenzie – currently the Director of Joint Staff – will replace Gen. Joseph Votel as head of US Central Command (CENTCOM), which oversees US military operations in Yemen.

*Political Developments in Yemen in Brief*

- **August 14:** Questions arose regarding President Hadi's health when, on a visit to Cairo, Sana'a Center sources learned he collapsed in a corridor in the Egyptian Parliament building before an expected speech to the legislature. Hadi is known to have a heart condition. By the end of the month he was at the Cleveland Clinic in the US for a check-up with doctors.
- **August 18:** Hezbollah Secretary-General Hassan Nasrallah met with a Houthi delegation led by spokesman Mohammed Abdalsalam. The pair reportedly discussed developments in Yemen war during the meeting, which took place in Beirut. The Hadi government has accused Hezbollah of sending fighters to Yemen to fight alongside Houthi forces — allegations Nasrallah denies.

# Humanitarian Developments

## *New School Year Approaching, But Education at Risk*

On July 31, the UN Children's Fund (UNICEF) warned that the education of 3.7 million children in Yemen's north is at risk, noting the traditional start of the school year in mid-September. After the recent escalation of hostilities across several frontlines, notably in Hudaydah governorate, and about two years of largely unpaid salaries for teachers in Yemen's northern governorates, many have either fled their homes or taken up alternative employment.

Meanwhile, the number of available schools has significantly decreased. According to the General Authority for School Planning in areas under Houthi control, 297 schools in Yemen's north had been destroyed and 2,334 damaged by coalition airstrikes as of August 9. Another 868 schools were functioning as temporary settlements for internally displaced people (IDPs). International humanitarian coordinators and relevant national authorities in Sana'a met in mid-August to discuss alternative ways to accommodate those IDPs, including the possibility of paying them rental subsidies.

UNICEF estimates 11.3 million children in Yemen are in need of humanitarian assistance, and 4.1 million are in need of educational assistance.

## *Cholera Vaccination Campaign Resumes for Round Two*

On August 4, the World Health Organization (WHO), the UNICEF and health authorities in Yemen launched the second of three phases of the first-ever oral cholera vaccination campaign in Yemen, with this round targeting half a million people in three high-risk districts in Hudaydah and Ibb governorates over the course of one week. On August 15, the UN Office for the Coordination of Humanitarian Affairs reported that over 380,000 people had been reached.

In preparation for the campaign, about 32 tonnes of vaccines of the Global Oral Cholera Vaccine stockpile had been transported to Sana'a in mid-July, according to the WHO. The first round of vaccinations had been conducted in April in Aden governorate (for more see 'Yemen at the UN - May 2018 Review'). There have recently been increased international concerns that Yemen might see a third wave of the cholera epidemic in the near future, exacerbated by the ongoing offensive in around Hudaydah city and governorate.

*Other Humanitarian Developments in Brief*

- **August 1:** Médecins Sans Frontières (MSF) reported that it had opened a 20-bed surgical field hospital in Mokha city to treat people injured on frontlines in Hudaydah and Taiz governorates. The day after the launch of the coalition-backed offensive on Hudaydah on June 13, MSF reported that many of those injured at the Hudaydah frontlines were evacuated to be treated in Mokha. However, given that the city has only one hospital which does not possess any operating theater to perform surgery, many of those casualties in critical conditions had to be transported another 250 kilometers to Aden.
- **August 2:** The UN Refugee Agency reported clashes between tribal guards and security forces from Lahj governorate at the al-Rebat hosting site for internally displaced people (IDPs) in Aden at the end of July. One security guard was reported killed and several IDPs injured. IDPs were subsequently asked to leave the hosting site, with some returning to Hudaydah governorate.
- **August 4-5:** The UN migration and refugee agencies organized the voluntary return of 132 Ethiopian migrants and 116 Somali refugees, with the former group leaving Hudaydah port for Ethiopia, via Djibouti, and the latter leaving Aden to Berbera port in Somalia.
- **August 7:** The International Organization for Migration (IOM) released its Regional Migrant Response Plan for the Horn of Africa and Yemen for the period between 2018 and 2020. The plan calls for donations worth US\$45 million to provide humanitarian and developmental support to about 81,000 people from the Horn of Africa, moving to and from Yemen. As in 2017, some 100,000 migrants and refugees are expected to enter Yemen this year, while about 150,000 and 50,000 Ethiopian and Somali nationals, respectively, are expected to return from Gulf countries and Yemen.
- **August 9:** As of this date the Sana'a International Airport has been shut to commercial traffic for two years and seen 56 Saudi-led military coalition airstrikes during this period, according to the Yemen Data Project.
- **September 2:** As of September 2, the 2018 Yemen Humanitarian Response Plan has received US\$1.9 billion, which equals 64.7 percent of the requested amount of US\$3 billion.

## ***Acknowledgments***

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This report was developed with the support of the Kingdom of the Netherlands and the Friedrich-Ebert Yemen office.



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