

# The Yemen Review

SEPTEMBER 2018





## The Yemen Review

***The Yemen Review** Launched in June 2016, The Yemen Review – formerly known as Yemen at the UN – is a monthly publication produced by the Sana'a Center for Strategic Studies. It aims to identify and assess current diplomatic, economic, political, military, security, humanitarian and human rights developments related to Yemen.*

*In producing The Yemen Review, Sana'a Center staff throughout Yemen and around the world gather information, conduct research, hold private meetings with local, regional, and international stakeholders, and analyze the domestic and international context surrounding developments in and regarding Yemen.*

*This monthly series is designed to provide readers with a contextualized insight into the country's most important ongoing issues.*

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### **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 September, the Yemeni rial's recent decline accelerated precipitously, with the currency's value dropping to record lows by month's end. While the rial has been under multiple, intensifying pressures steaming from the war for several years, a large increase in the money supply – through a 30 percent increase in civil servant salaries – and the collapse of peace talks last month appear to have spurred a rial sell-off in the market (see 'Domestic Currency Hits Record Low').

A nation-wide fuel crisis ensued. Retail fuel stations closed en masse and prices for available petrol on the black market jumped an average of 130 percent relative to August, and as much as 230 percent in some areas (see 'Fuel Shortages and Prices Surges Across Yemen').

The UN-brokered consultations between the main warring parties – the internationally recognized Yemeni government and the armed Houthi movement –

collapsed before they even began due to logistics issues in transporting the Houthi delegation to Geneva for the talks (see 'Failure of the Geneva Consultations').

The Saudi-led military coalition-backed assault on the Houthi-held port city of Hudaydah – which the coalition had 'paused' in July – reignited in earnest. The coalition claimed the victory in Hudaydah was necessary to force the armed Houthi movement back to the negotiating table (see 'Offensive on Hudaydah City Resumes').

In southern Yemen, public protests that began in Aden in August grew and spread to other governorates, with protesters calling for measures to stem the rial's plunge and tame rocketing prices (see 'Protests Spread in Southern Governorates').

In northern Yemen, pro-government forces began an assault on Maran, Sa'ada governorate, which holds symbolic and strategic importance as the ancestral town of the al-Houthi family (see 'Yemeni Government Forces Advance in Sa'ada').

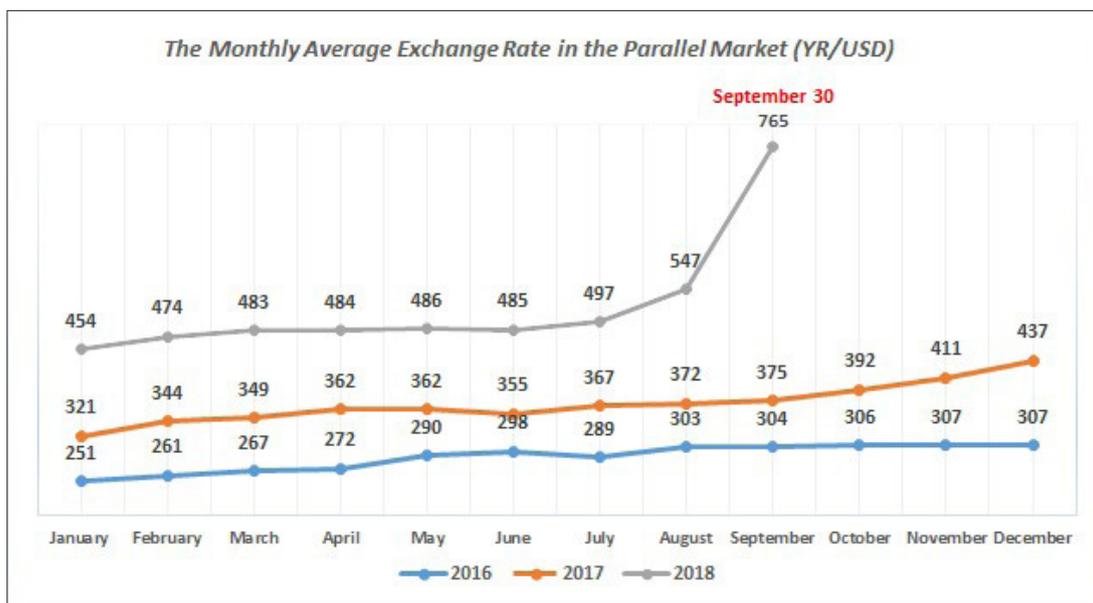
Meanwhile, in the United States, Secretary of State Mike Pompeo certified that the Saudi-led military coalition was taking measures to reduce harm to civilians in Yemen, as was mandated by Congress in August for continued US support for the coalition. A former State Department adviser subsequently told the Sana'a Center that "objectively, [Pompeo's] conclusion is false", (see 'State Department Certifies Coalition Efforts to Reduce Civilian Casualties').

In Europe, Spain annulled an arms deal with Saudi Arabia, then backtracked, Germany approved new arms exports to coalition members, and the UN Human Rights Council extended the mandate of an experts group investigating human rights violations in Yemen.

Also in September, the Sana'a Center organized a foreign press delegation visit to Mukalla, Hadramawt governorate – the first significant foreign press corps visit to the city since al-Qaeda in the Arabian Peninsula was expelled in 2016.

# Yemeni Rial Plummets, Widespread Fuel Shortages Ensur

## Domestic Currency Hits Record Low



Sources: CBY, WFP, Sana'a Center Economic Unit for September 2018

Over the past three months, the Yemeni rial has experienced its largest loss in value since the escalation of the conflict in March 2015, when it traded for YR215 per US\$1. In July 2018 the rial was trading at an average of YR497 per US\$1; by September 30, the exchange rate hit a record low of YR765 per US\$1, a 54 percent decline in value over that period. On October 1, the rial lost another 9 percent in value in a single day. Many Sana'a-based money exchange shops and food wholesalers responded by closing their doors for business. As of October 7, the rial had rebounded slightly, trading at YR720 per US\$1.

The rial's value has been withering under multiple, intensifying factors steaming from the war for several years. These include: general economic collapse; competing national monetary policies between the Sana'a-based and Aden-based branches of the Central Bank of Yemen (CBY); low stocks of foreign currency and increasing stocks of domestic currency in circulation.

Last month two major new factors came into play: On September 3, the Yemeni government raised civil servant salaries by 30 percent. This came following public protests in various locations across southern Yemen against the rapidly rising costs

of living due to the rial's depreciation. (Before March 2015 Yemen imported as much as 90 percent of its basic commodities, and thus any change in the YR value has direct implications for local purchasing power.)

Sana'a Center's Economic Unit analysis noted, however, that it is unlikely the Yemeni government has the public revenues to fund the increased wage bill. Thus, as it has done in the past, the government will likely direct the CBY to simply print more banknotes to cover these new obligations. Anticipating this expanded domestic currency supply, the market began selling off Yemeni rials. Also last month, hopes of conflict de-escalation in the near term were shattered when plans for UN-brokered peace consultations in Geneva collapsed (see below 'The Special Envoy / Failed Geneva Consultations'). This further spurred the market to sell-off of rials.

## Government Bans Luxury Imports, Plans to Regulate Basic Commodity Imports

On September 3 the Yemeni government announced a range of policies intended to address the demand for foreign currency in the local market and facilitate imports of basic commodities. These policies, slated to go into effect on October 9, included a temporary ban on the importation of luxury goods, including all cars. Luxury goods, however, currently make up only a small fraction of import demand, and thus this policy is unlikely to be felt significantly in the currency market.

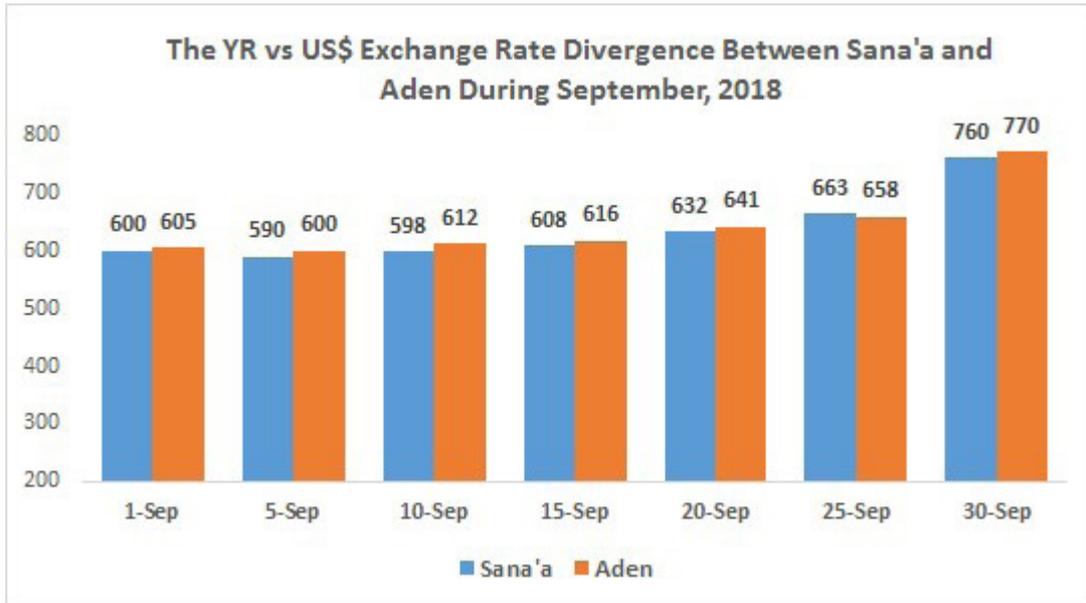
The Yemeni government also announced that, as of October 9, the Aden-based CBY would regulate imports of basic food commodities and fuel derivatives. This would be enforced by requiring that such imports be accompanied by a CBY certificate. As part of this process the CBY would facilitate access to foreign currency for approved importers, mostly through tapping the US\$2 billion deposit Saudi Arabia made available to the Aden-based CBY this spring (see below 'New Rounds of Import Support from the US\$2 billion Saudi Deposit'). The CBY intends to channel its import financing through Yemeni commercial banks.

The Aden-based CBY will also take the responsibility for physically transferring the foreign currency stocks of commercial banks to their accounts abroad. Currently, commercial banks have foreign currencies in their treasuries in Yemen but face obstacles to moving these abroad in order to facilitate import trading. The government also decreed that remittances arriving through Yemeni commercial banks be subject to the Aden-based CBY's supervision, with the intent of then directing these foreign currency funds to facilitate basic commodity and fuel imports.

Such measures could potentially allow for better official oversight of foreign currency movements into and out of Yemen, allow the Aden-based CBY to better channel foreign currency to support imports, move money back into the formal economy and banking sector, help anti-money laundering efforts, and allow the Aden-based CBY to dampen currency speculation and support the rial.

Sana'a Center Economic Unit analysis, however, indicates effective implementation of these measures would require close cooperation with commercial banks and

major importers, as well as a unified monetary policy in Yemen. Moreover, the new criteria importers must meet to be eligible for certification is likely to reduce the number of importers participating in the official market. Indeed, anecdotal evidence suggests that some traders, in trying to beat the October 9 deadline, accelerated their import purchases, pulling more foreign currency out of the local market to do so and exacerbating downward pressure on the rial. Post-October 9, with fewer importers in the market and consequently less total imports – at least initially – the highly adaptable Yemeni black market will inevitably step in and fill demand where shortages occur.



Source: Sana'a Center Economic Unit

## New Rounds of Import Financing from the US\$2 Billion Saudi Deposit

On September 27, the Aden-based CBY announced that it had dispersed a second and third round of letters of credit from the US\$2 billion Saudi deposit. These disbursements, totaling US\$85 million, were provided to support the importation of five essential commodities – rice, wheat, sugar, milk, and edible oil.

The day before, the government's National Economic Committee had adjusted the exchange rate at which these funds would be disbursed to importers from YR470 per US\$1 to YR585 per US\$1. The previous rate had been set on July 31 and used for the disbursement of the first round of letters of credit, which totaled US\$20.4 million.

Also on September 27, the Aden-based CBY stated that it would implement measures to simplify the application process for import financing, which has generally been regarded as excessively long and cumbersome. The CBY stated it was seeking to reduce the waiting time to 10 days.

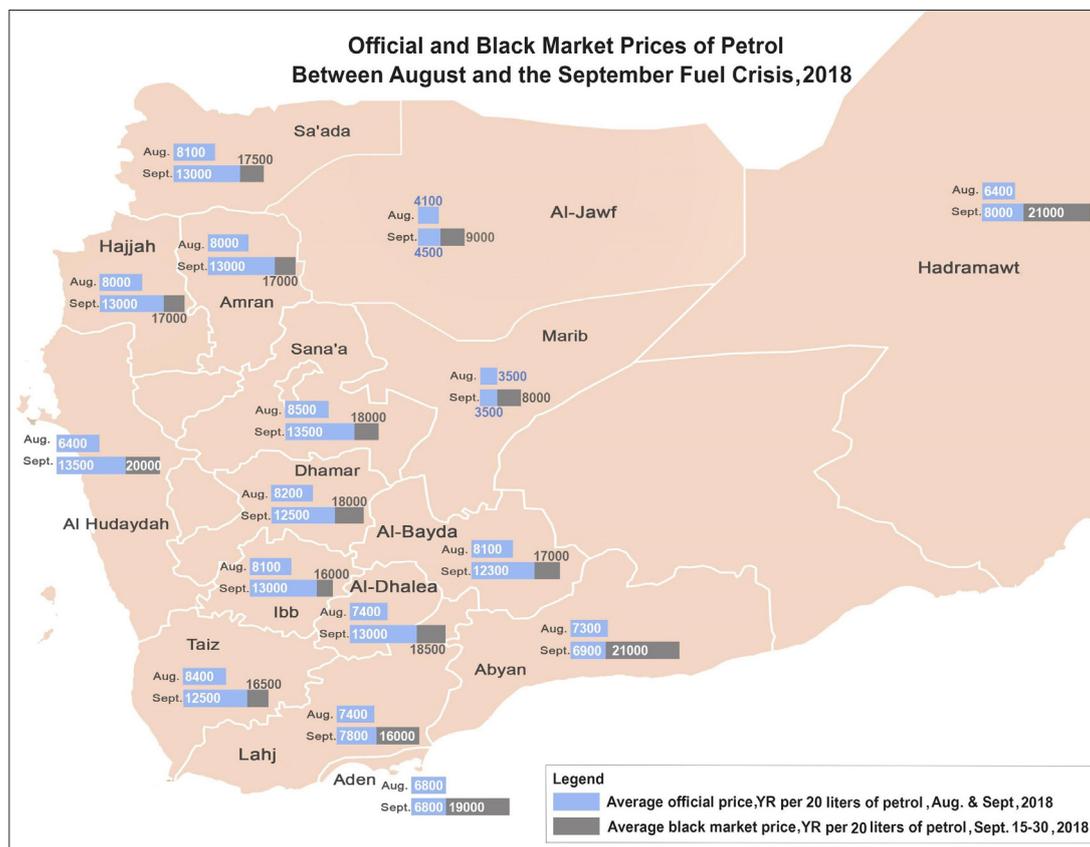
## Fuel Shortages and Price Surges Across Yemen

Beginning in mid-September, Yemen became gripped by fuel shortages, affecting almost all parts of the country with the exception of Marib governorate. Licensed fueling stations – which sell fuel at regulated prices – closed en masse in many areas, with massive cues forming at those that remained open. Black market fuel traders then stepped up to meet the market demand, selling petrol and diesel at significant markups from the regulated prices.

According to a Sana'a Center Economic Unit survey covering all Yemeni governorates, price increases in available petrol averaged 130 percent across the country for the last two weeks of September relative to average August prices. The largest increase was seen in Hadramawt, where 20 liters of petrol went from an average August price of YR6,400 at official outlets to YR21,000 on the black market for the last two weeks of September, an increase of almost 230 percent. The next greatest price increases in available petrol were seen in Abyan (188 percent) and Aden (179 percent).

A marked exception to the fuel shortage was Marib governorate. Fuel products in Marib are produced and refined locally, generally meeting local demand and insulating the local market from external factors, such as depreciation in the rial. Unlike the rest of the country, the fuel market in Marib is not liberalized, allowing the authorities to exert greater control over fuel prices.

Even while petrol was consistently available at official retail outlets in Marib for YR3,500 per 20 liters through August and September, petrol was being sold on the local black market for an average of YR8,000 per 20 liters. This was due to the Marib authorities limiting purchase quantities to 20 liters per day per vehicle owner. This move was to prevent fuel smuggling to neighboring governorates where it could be resold for considerable profit.



## Drivers of the Fuel Crisis

With the exception of Marib governorate, the vast majority of fuel consumed in Yemen is imported. Thus, the recent rapid depreciation of the local currency is among the major factors driving the recent fuel shortages and price spikes.

The impact of the collapsing rial on fuel prices is magnified by both international and domestic factors. Global oil prices have trended steadily upward since July 2017, but between mid-August and the end of September 2018 there has been a relatively sustained spike, with the benchmark West Texas Intermediate crude rising roughly 13 percent from some US\$65 per barrel to US\$73.25. In Yemen, the renewed coalition assault on Houthi-held Hudaydah city – while not yet severely impacting commercial traffic through the ports of Hudaydah and Saleef ports – has affected market sentiment, raising concerns that the primary entry-point for fuel imports to Yemen’s northern areas would face blockages.

According to Sana’a Center Economic Unit observations, however, the specific trigger for the recent fuel crisis appears to be the deliberate actions of Yemeni fuel traders. There are indications that fuel traders acted as a cartel in collectively halting fuel sales to official retail outlets. The subsequent shortage allowed traders to sell to the black market for significantly more profit, offsetting the anticipated increases in import costs due to rising global oil prices and anticipated profit losses due to the depreciating local currency.

## CBY Increases Rates on Government Debt, Offers New Debt Instruments

Also in economic developments last month, on September 18, the CBY in Aden announced that it was increasing the interest rates on domestic debt instruments and introducing new ones. The rate on government bonds increased from 12 percent to 17 percent. ‘Agency deposits’ were introduced as a new debt instrument that is similar to an Islamic Sukuk bond, with the agency deposits offering a 23 percent profit rate compared to the CBY’s current Sukuk rate of 15 percent. Certificate deposits were also reintroduced, having not been deployed since 2012; equivalent to a treasury bill, it was issued with a 15 percent interest rate at a three-month maturity.

The Sana’a Center Economic Unit’s assessment of market appetite for Yemeni government debt is, however, exceptionally low, regardless of the interest rate.

# Renewed Battle for Hudaydah City

## Failure of the Geneva Consultations

On September 6, United Nations-brokered consultations had been scheduled to take place between the internationally recognized Yemeni government and the armed Houthi movement in Geneva. The consultations – slated as the first UN-brokered meeting between the two parties in over two years – were to focus on confidence-building measures and lay the foundation for future peace negotiations.

The day before the consultations were to begin, however, Houthi officials informed the UN Special Envoy for Yemen, Martin Griffiths, that they would not travel on a UN airplane, demanding instead to travel on a plane supplied by Oman. Since the Yemen conflict began, UN planes flying out of Sana'a have been required to stop in Djibouti for inspection by the Saudi-led military coalition, which is intervening in the conflict on the side of the Yemeni government. Houthi representatives, meanwhile, said they intended to use the flight to transport injured fighters to Oman for medical treatment.

Just prior to the consultations last month, the UN had also asked Houthi delegates to sign a liability waiver; members of the delegation who spoke to the Sana'a Center said they interpreted this as the UN being unable to guarantee their return to Sana'a. Following the last round of UN-mediated peace talks between the Yemeni government and Houthis officials in Kuwait in 2016, the Saudi-led military coalition had blocked Houthi delegates from returning to Yemen for three months. This time around, the Houthi delegation regarded the probability of an unimpeded return to Sana'a as far more likely via Muscat.

Saudi officials were adamant, however, that the Houthi delegation travel by UN plane via Djibouti; later Riyadh claimed that the Houthis had been trying to transport injured Hezbollah and Iranian fighters on the flight.

Griffiths was unable to broker a solution to the impasse and thus the Houthi delegation did not travel. Critics have suggested that the Special Envoy's office should have thoroughly addressed such logistical issues beforehand. Moreover, the delegations nominated by both the Yemeni government and the Houthi officials contained few figures with meaningful political leverage, an issue critics said the Special Envoy should have addressed with the parties to ensure that outcomes from the talks could be implementable on the ground.

With the Houthi representatives absent, the Special Envoy held meetings from September 6 to 8 with the Yemeni government delegation. Issues discussed included the release of prisoners, the reopening of Sana'a International Airport, humanitarian aid and economic development. The envoy also met with a technical advisory group of Yemeni women, a number of ambassadors assigned to Yemen from the so-called 'Group of 19' states, and ambassadors from the five permanent member states of the UN Security Council.

On September 12 and 13, the UN Special Envoy traveled to Muscat for meetings with senior Omani officials and Houthi representatives. He then traveled to Sana'a, where he met with members of the Houthi leadership and representatives of the Sana'a-based faction of the General People's Congress party.

Following the failure of the Geneva consultations, hostilities around Hudaydah city escalated. A September 14 letter from the UAE (S/2018/847) to the UN Security Council president stated that Yemeni government forces, backed by the Saudi-led coalition, had intensified military operations in the area. The letter said that a military victory in Hudaydah was critical to compelling the Houthi leadership to re-engage in peace talks.

## Offensive on Hudaydah City Resumes

On September 12, anti-Houthi forces, led by the UAE-backed Amalqa (Giants) Brigades and supported by coalition air power, took control of the main roads to the east of the city linking Hudaydah to Sana'a. This left the minor road north of Hudaydah to Hajjah governorate the only open land route in and out of the city. Anti-Houthi forces also approached from the city's south into the university and corniche area, with coalition aircraft targeting Houthi positions around the airport. The coalition has reported the deaths of senior Houthi military figures in clashes or strikes around Hudaydah city, including a commander responsible for supplies and personnel, and a brigadier general on the front.

Well-placed coalition sources told the Sana'a Center that the coalition intends to bypass Hudaydah city itself and take the port by force, with the intent of inducing a Houthi surrender while limiting civilian casualties and destruction of infrastructure. Images of leaflets dropped by coalition aircraft have appeared online, calling on Hudaydah residents not to join the fight alongside the Houthi forces. The coalition source said that they expected there to be significant damage to Hudaydah and Saleef ports, potentially impacting their ability to function; in such a case, he told the Sana'a Center that the UAE was planning to temporarily divert port operations to Mokha district of Taiz governorate.

## Hudaydah Violence Further Complicates Aid Distribution

Last month's escalation of hostilities around Hudaydah led to the closure of the city's main entrance to the east. Given that access from the south has been blocked since 2017 due to anti-Houthi forces' advance towards the city, last month's developments further complicated the already-hampered movement of humanitarian goods and personnel in Hudaydah (for access constraints in Yemen as of September 28 see this map). As of this writing, the only open access road leads north out of the city via its Khatt al-Sham entrance toward Hajjah governorate. Importantly, however, as of the end of September, both Hudaydah and Saleef ports were still operational.

On September 24, spokesperson Col. Turki al-Maliki announced that the Saudi-led military coalition intended to establish three humanitarian corridors, in cooperation with the UN Office for the Coordination of Humanitarian Affairs (OCHA), to allow for the movement of civilians and aid to and from Hudaydah city. He said the three routes would link Hudaydah's Khatt al-Sham entrance to Sana'a via Hudaydah's al-Dhahi district to the north, as well as Hajjah and al-Mahwit governorates. However, Basim al-Janini, a well know Hudaydah journalist, told the Sana'a Center that these routes were open prior to the coalition announcement.

Inside Hudaydah governorate, humanitarian organizations continued to face difficulties reaching populations in need, while commerce diminished in frontline areas. According to al-Janini, the escalation of hostilities along the main road between Hudaydah and Sana'a resulted in the closure of more than 30 industrial and trading companies in this area as of late September.

Meanwhile, more people from Hudaydah governorate were displaced, with numbers reaching some 76,500 displaced households between mid-June and mid-September. Of these, about 21,000 households remained within the governorate.

# Political Developments in Yemen

## Protests Spread in Southern Governorates

Demonstrations that began in August in Aden continued into September, spreading to Hadramawt, Lahij, Abyan and Dhale governorates. Protesters were calling for measures to stem the plunge of the rial and tame rocketing prices. In Aden, protesters blocked roads with burning tires and barriers, while retail stores and service outlets also closed as part of a civil disobedience campaign.

The secessionist Southern Transitional Council (STC) organized a demonstration in Aden on September 6, with protesters calling for an independent southern Yemeni state. The same day, the Governor of Hadramawt, Faraj Salmeen al-Bahsani, threatened to halt any oil exports from the governorate – which historically accounts for more than half of the country's total production – if the central government did not address the economic crisis, particularly spiraling fuel shortages in Hadramawt.

In Mahra governorate, protests against Saudi presence resumed following the breakdown of an agreement reached in July between tribal leaders, local authorities and Saudi representatives. Through this agreement, Saudi Arabia had returned control of al-Ghaydah airport to local authorities, while Saudi-backed forces secured a key checkpoint at the entrance to al-Ghaydah city. Renewed demonstrations in September reached the vicinity of al-Ghaydah airport and sites where Saudi military bases are under construction.

On September 25, reports emerged that the coalition had issued an arrest warrant for Mahra's former deputy governor, Ali Salem al-Harizi. Al-Harzi, a powerful tribal sheikh, is a critic of Saudi Arabia's presence in Yemen, sentiments he expressed in a television interview last month. The coalition issued a statement denying that a warrant had been issued. Eyewitnesses reported that on September 26, al-Harzi entered al-Ghaydah with a convoy of 100 cars and accompanied by gunmen, meeting no resistance.

On September 29, local residents and tribal leaders then protested at a construction site related to a Saudi oil pipeline intended to run through Mahrah.

*Other Political Developments in Brief:*

- **September 7:** In signs of tensions between southern secessionist groups, there were armed clashes in Seiyun, Hadramawt governorate, between the STC and member of HIRAK (Southern Movement) loyal to Fadi Baoum, son of veteran separatist Hassan Baoum. Fadi Baoum has repeatedly called for the withdrawal of Saudi and Emirati forces from southern Yemen.
- **September 8:** In a television address, President Hadi said he was in “good health” following planned medical procedures related to his heart condition that were carried out at the Cleveland Clinic during his recent trip to the US.
- **September 16:** The STC announced the launch of two new television channels. STC Vice President Hani bin Brik said the channels would support the cause of southern separatism and “combat” the Muslim Brotherhood.
- **September 19:** UAE-backed Security Belt forces detained senior Islah members in Abyan, including the deputy head of Islah’s branch in the governorate’s Sarar district, Sheikh Dhaman Thabet al-Qawh.
- **September 21:** marked the four years to the day that Houthi fighters and the allied forces of late former President Ali Abdullah Saleh first overran Sana’a, an event that precipitated their deposing of President Hadi and the internationally recognized Yemeni government.
- **September 26:** Yemeni president Abdu Rabbu Mansour addressed the UN General Assembly during its 73rd session. In his speech, he mostly criticized the Houthi forces, as well as Iran and Hezbollah as supporting the former. Notably, he said that “our predicament in Yemen is not a political conflict that can be contained by dialogue.” His speech came on the 56th anniversary of Yemen’s September 26 Revolution.

# Military and Security Developments in Yemen

## Yemeni Government Forces Advance in Sa'ada

Government forces continued to make gains in Sa'ada governorate, northern Yemen, including an assault on Maran, the hometown of the al-Houthi family. As both the birthplace and centre of gravity of the Houthi movement, Sa'ada holds symbolic and strategic importance.

With demands on resources in Hudaydah, Houthi forces are struggling to hold ground in the governorate against a pro-government force of some 10,000, supported by coalition aircraft and Saudi special forces. Vice President Ali Mohsen al-Ahmar visited the Sa'ada front on September 26 — marking the anniversary of the 1962 revolution against Zaidi royalists.

Saudi-owned media reported on September 30 that government forces had seized a main road passing through Maran, connecting Hajjah and Sa'ada.

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

- **September 5:** The Saudi-led coalition intercepted a Houthi ballistic missile targeting a Saudi National Guard camp in Saudi Arabia's southern Najran region. At least 23 people were injured by debris from the missile, according to a coalition statement.
- **September 20:** Ghalib Dabwan, the head of Islah's trade union department survived an assassination attempt in Aden's al-Maalla district. During a meeting in Aden, security chief Shalal Ali Shaye told the Sana'a Center that ISIS had been responsible for the recent spread of assassinations and assassination attempts in the city, accusing the group of trying to foment chaos.
- **September 21:** UAE-backed Shabwani Elite Forces killed a local AQAP commander, Naif al-Sayari al-Daiyani, in a raid on a camp in Khura district, western Shabwah governorate. Two days later, another local AQAP leader Abu Qaqaa and seven other members were killed in a raid in the same area. Three members of the Shabwani Elite Forces died in the clashes.
- **September 27:** Air defence systems reportedly intercepted a Houthi drone near the coalition's headquarters in Aden's al-Buraiqah district. The Saudi-led military coalition has not issued a statement relating to the incident.

## Developments in the United States

### State Department Certifies Coalition Efforts to Reduce Civilian Casualties

On September 13, US Secretary of State Mike Pompeo certified that the Saudi-led military coalition was taking measures to reduce harm to civilians resulting from its military operations in Yemen, and that it was actively seeking a political resolution to the conflict. An amendment to a defence spending bill passed in August made continued US support for the coalition conditional upon this certification.

Following his endorsement of Pompeo's conclusions, Secretary of Defense Jim Mattis said that bombs would "continue to fall" but a withdrawal of support would result in more civilian casualties. He added that the US was trying to improve the coalition's 'dynamic targeting', meaning unplanned or unanticipated targets that require rapid response.

Senator Jeanne Shaheen (D-NH), co-author of the certification legislation said the US administration was "deliberately sidestepping congressional oversight" in its assessment, while Senator Chris Murphy (D-CT) said it amounted to "turning a blind eye to likely war crimes." Humanitarian and rights groups also challenged the certification. In a letter to members of the Senate Foreign Affairs Committee, Interaction, a Washington DC-based global alliance of more than 180 NGOs, said the conclusions contradicted reports to US officials from its member organizations. The letter said coalition actions had impeded an effective humanitarian response in Yemen. It pointed out that most of the training the US has provided Saudi military forces with to reduce civilian casualties was given more than a year ago, while coalition airstrikes on civilian targets since – in particular those in August 2018 – have displayed a "disregard for the principles of distinction and proportionality."

Citing a classified memo and sources familiar with the decision, the Wall Street Journal reported that a number of State Department staffers objected to the certification, alleging that Pompeo pressed ahead to avoid jeopardising weapons deals worth US\$2 billion with coalition Gulf states. The State Department refused to comment on the claims.

Larry Lewis, a former State Department adviser who worked with the Saudi-led military coalition until May 2017 on measures to reduce civilian harm, said that "objectively, [Pompeo's] conclusion is false." Lewis told the Sana'a Center that, in regards to preventing civilian casualties, the coalition had enacted only vague guidelines with little operational application and which do not mandate any action to improve practices when mistakes are identified. These measures have "proved ineffective in preventing civilian deaths and continue to be inadequate," Lewis added.

Scott Anderson, a fellow at the Brookings Institute and former State Department lawyer covering Yemen, told the Sana'a Center last month that while there was limited legal recourse for Congress or third parties to challenge Pompeo's certification, lawmakers may seek to apply political pressure in the form of public hearings and congressional committee investigations. He added that these procedures could be pursued with greater ease should the Democrats take control of the House in November's midterm elections.

## Lawmakers Introduce New Bill to End US Involvement in the Yemen Conflict

On September 26, Rep. Ro Khanna (CA-17) introduced a bipartisan resolution that would force a congressional vote on a withdrawal of US forces participating in the conflict between the Saudi-led military coalition and the Houthi forces in Yemen. The resolution invokes the War Powers Act, which requires a declaration of war by Congress before the commitment of US troops to an armed conflict.

Congressman Khanna introduced similar legislation in September 2017 which, while failing to lead to a vote on the withdrawal of US support for the coalition, resulted in the House of Representatives declaring US involvement in the conflict unauthorized under existing legislation on the use of armed force. In contrast with the previous resolution, the new bill has the backing of leading Democrats, including Rep. Eliot Engel (D-NY), the top Democrat on the House Foreign Relations Committee and Rep. Steny Hoyer (D-MD), the minority whip. The bill's movement to the floor will depend on the Republican leadership, specifically whether it will seek to block a vote as it did with the previous Khanna-led legislation last year.

## GCC, Yemeni Government Stage Event in New York

On September 21, the Gulf Cooperation Council organized an event in New York together with the Yemeni government, entitled "Challenges of a Political Solution, Humanitarian Action, Restoring Stability and Reconstruction."

Speaking to the Sana'a Center several days prior to the event, Yasser Al-Roaini, the Yemeni government's Second National Dialogue Conference Deputy Secretary General, said the organizers intended it to be part of a new outreach campaign to western countries.

# Developments in Europe

## Spain Annuls Arms Deal With Saudi Arabia, Then Backtracks

On September 4, Spain announced the cancellation of a 2015 arms sales contract with Saudi Arabia. Through the contract, Saudi Arabia had purchased 400 laser-guided bombs from Spain, worth €9.2 million (US\$10.6 million). The decision came after Saudi airstrikes in August killed dozens of children.

On September 12, however, Spain reversed this decision. Saudi Arabia had, according to Spanish media, threatened to cancel a €1.8 billion (US\$2.1 billion) order of corvettes-class warships from Spain's Navantia ship-building company, which would have put thousands of jobs at stake.

## Germany Approves New Arms Exports to Coalition Members

On September 19, the German magazine Der Spiegel reported that Berlin had approved new arms sales to Saudi Arabia, the UAE, and Jordan. The German newspaper FAZ also reported new arms sales to Egypt, another member of the Saudi-led military coalition. This comes after the coalition government had committed to halting arms sales to states directly involved in the Yemen war (for more see 'Yemen at the UN - March 2018 Review').

Der Spiegel and FAZ referred to a private letter that Peter Altmaier, Minister of Economic Affairs, had sent to the economic committee of the Bundestag, the German parliament. According to the letter, the Federal Security Council – a ministerial committee, presided over by the chancellor – had approved new arms sales.

On October 1, FAZ reported that since taking office in March, the German government had approved arms sales worth €254 million (US\$292 million) to Saudi Arabia and another €21.8 million (US\$25.1 million) to other members of the Saudi-led military coalition.

## European States Continue Talks With Iran

On September 12, four European states – France, Germany, Italy, and the United Kingdom – held political consultations with an Iran delegation in Brussels. It was the third round of such talks, following meetings in Rome in May and Munich in February. Among the topics of discussion were the political and humanitarian situation in Yemen.



*Journalist from various international media organizations, accompanied by Sana'a Center staff, receive a guided tour of the Port of Mukalla from the manager of the port, Fwad Taisir Albaky (center), on September 5, 2018. From September 3 to 7, the Sana'a Center organized the largest foreign press delegation visit to Mukalla, Hadramawt governorate, since al-Qaeda in the Arabian Peninsula was expelled from the city in 2016. (Photo credit: Spencer Osberg)*

# Human Rights and War Crimes Developments

## UN Human Rights Council Extends Experts Group's War Crimes Investigations

The UN Human Rights Council (HRC) voted to renew the mandate of the Group of Eminent Experts, which is investigating the human rights situation in Yemen. The experts group was established in December 2017 through HRC resolution 36/31, and published its first annual report on August 28. The renewal vote came during the HRC's 39th regular session, from September 10 to 28, at the Palais des Nations in Geneva.

Canada, the Netherlands, Belgium, Ireland, and Luxembourg jointly introduced the draft resolution (A/HRC/39/L.21) to extend the body's mandate. Other Western states later joined as co-sponsors. The resolution also called for the UN High Commissioner for Human Rights to continue providing technical support to the National Commission of Inquiry, a body close to the Yemeni government tasked with investigating human rights violations, though it has been widely accused of bias by human rights groups.

Tunisia, on behalf of the 21-member Arab Group, introduced a separate draft resolution (A/HRC/39/L.23) also calling for the continuation of technical support for the National Commission, though without calling for the renewal of the experts group.

No consensus was reached and both resolutions were tabled, with the Arab Group resolution adopted without a vote, and the resolution sponsored by Western states adopted by 21 votes in favor, 8 against and 18 abstentions.

Sana'a Center sources close to the proceedings said the Yemeni government had ordered its diplomats not to accept the renewal of the experts group under any circumstances. Yemen as well as Saudi Arabia, the United Arab Emirates, and Egypt – all three members of the Saudi-led military coalition – voted against the adoption of the resolution. Qatar – which was expelled from the coalition in June 2017 – voted in favor. Notably, the UK – which had not actively supported the establishment of the Group of Eminent Experts last year – voted in favor of the renewal.

States that voted against the resolution said the Group of Eminent Experts lacked balance. While the report can be judged as impartial, it is indeed incomplete. For example, there was no mention of Houthi forces using landmines or indiscriminate rocket attacks. The experts were also denied access to personnel accused of torturing

detainees at Houthi-run facilities. However, states that voted in favor argued that the group needed more time to investigate violations more comprehensively. The experts group is expected to submit its second written report to the High Commissioner for Human Rights later next year.

## Abducted Journalists Referred to the General Prosecutor's Office

On September 11, the Houthi authorities referred 10 journalists, who have been imprisoned for more than three years, to the Prosecutor General's Office in Sana'a for investigation. The journalists' families released a statement demanding their release, and calling on the UN Special Envoy and human rights organizations for support. Abdullah al-Mansouri, a brother of one of the imprisoned journalists, said the charges against them were based on false accusations and that details of the accusations had not yet been made public.

"We have requested the general prosecution to provide us with the journalists' files, they accepted our request but didn't provide us with anything until now," al-Mansouri told the Sana'a Center.

The first investigation session took place on September 10 and involved four journalists, all of whom declined to respond to the charges.

## Human Rights Watch Report on Houthi Hostages

On September 25, Human Rights Watch (HRW) published a report claiming that Houthi forces had carried out arbitrary detentions, enforced disappearances, and tortured detainees. The report, based on interviews with former detainees, describes extreme acts of torture and extortion of the families of prisoners. HRW stated that a letter was sent to the Minister of Interior of the Houthi authorities on September 12, asking for information on the detainees, their condition, as well as a demand to hold accountable those responsible for the violations. The ministry did not respond. HRW also refers to the UN Group of Eminent Experts' report saying that Houthi forces "committed acts that may amount to war crimes."

*Other Human Rights and War Crimes Developments in Brief*

- **September 1:** The Saudi-led military coalition admitted that an airstrike in early August in Sa'ada governorate, which had hit a bus and killed 54 people, including 44 children, was unjustified (for more see the Yemen Review - August 2018). The coalition stated it would hold accountable those found responsible for what Human Rights Watch called "an apparent war crime."
- **September 2:** Journalist Mohammed Tahri was shot dead by a sniper in Taiz city in an area controlled by the government forces, according to the online newspaper Al-Masdar.
- **September 9:** The International Organization for Migration (IOM) reported that one of its employees was kidnapped by unknown individuals in Sana'a.
- **September 16:** A warship attacked a boat killing 18 Yemeni fishermen in al-Khoukha city, according to Reuters. Coalition spokesman Col. Turki al-Maliki denied responsibility for this attack and said the coalition was investigating the incident.
- **September 18:** The Houthi-affiliated Specialized Criminal Court in Sana'a filed charges against 24 Yemeni Baha'is, including a child. Amnesty International described the proceedings as "flagrantly unfair [...] used to persecute Yemeni Baha'is for their faith." For some of the alleged offenses, which included espionage for foreign countries, they could face the death penalty.
- **October 1:** The Médecins Sans Frontières (MSF) staff house in al-Dhalea governorate was targeted with explosives for the second time in less than a week. MSF did not specify who was responsible for the attack. No casualties were reported.

# Humanitarian Developments

## UN Works Towards Opening of Humanitarian Medical Air Bridge

On September 16, OCHA reported that the United Nations was working toward the opening of a humanitarian air bridge to allow for the treatment of severe medical cases abroad. The air bridge is to be opened for a trial period of half a year. An independent international company has been contracted to select eligible patients. While 14 NGOs – including CARE, Oxfam, and the Norwegian Refugee Council – welcomed the establishment of a medical air bridge, they expressed concern that the majority of the population still cannot seek medical treatment abroad.

### *Other Humanitarian Developments in Brief*

- **September 7:** IOM reported that at least 27 Ethiopian and six Somali nationals had drowned off the coast of Shabwa on August 29, after smugglers had forced 360 Somali and Ethiopian migrants in two overcrowded boats back into the sea.
- **September 9 and 15:** A new school year started in southern and northern Yemen, respectively, despite fears that the conflict could lead to its postponement as it did in 2017. Nevertheless, 2 million children remain out of school compared to 1.6 million children before the conflict, according to the Ministry of Education. In northern Yemen, Houthi authorities have radically altered the course syllabus and national textbooks, according to teachers who spoke with the Sana'a Center. These teachers reported that texts in courses such as history and religion now had a strikingly sectarian tone and showed a strong influence of Houthi ideology.
- **September 21:** The Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator Mark Lowcock briefed the UN Security Council on the deteriorating humanitarian situation in Yemen. “We are losing the fight against famine,” he said, referring to the steep slump of the Yemeni rial (see above ‘Yemeni Rial Plummets, Widespread Fuel Shortages Ensur’) and the intensified fighting around Hudaydah city that threatened to disrupt vital humanitarian and commercial supplies arriving through the port (see above ‘Hudaydah Violence Further Complicates Aid Distribution’).

- **September 24:** OCHA organized an event on the humanitarian response in Yemen on the margins of the 73rd Session of the UN General Assembly.
- **September 27:** IOM and the UN Refugee Agency facilitated the voluntary return of 130 Somali refugees, evacuating them from Aden.
- **September 29:** The Gulf Times reported that the Qatar Fund for Development and UNICEF had signed a Memorandum of Understanding for the funding of a range of activities to improve Yemen's water and sanitation sectors.
- **September 30:** UNICEF, the World Health Organization and other organizations launched a three-day oral cholera vaccination campaign, targeting more than 500,000 people in three districts in Ibb and Hudaydah governorates. The first round of such vaccinations had been launched in these governorates in August. This comes amidst increasing international fears of a potential third wave of cholera, triggered by the escalation of violence in Hudaydah since June. Since then, the number of cholera cases has steadily increased after months of largely stabilizing figures. The WHO reported that the average rate of new suspected cases doubled last month compared to the first eight months of the year, reaching about 10,000 new suspected cases per week.
- **October 1:** OCHA reported that, to date, the UN's 2018 Yemen Humanitarian Response Plan had received funds worth US\$2 billion, equaling two-thirds of the requested amount.
- **October 2:** Following the attack on its staff house in al-Dhalea governorate, MSF announced the withdrawal of its staff from al-Dhalea and the suspension of its programmes in the governorate "until further notice."

## ***Acknowledgments***

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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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